

Revision 2.0, September 2020

TASMANIAN NETWORKS PTY LTD
ACN 167 357 299

and

[insert GENERATOR]
ACN **[insert]**

GENERATOR CONNECTION AGREEMENT

for

[insert FACILITY NAME]

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AGREEMENT made the _____ day of _____ [insert]

- PARTIES**
1. **Tasmanian Networks Pty Limited**
ACN 167 357 299
of 1-7 Maria Street, Lenah Valley in Tasmania
(**TasNetworks**)
 2. **[insert company name]**
ACN [insert]
of [insert] in Tasmania
(**Network User**)

RECITALS

- A. TasNetworks holds a licence issued under the *ESI Act* authorising it to operate its *transmission system* to transmit electricity within Tasmania.
- B. Network User holds a licence under the *ESI Act* authorising it to operate its *generating plant* to generate electricity.
- C. TasNetworks has offered to provide Network User with *connection* and access to its *transmission system* on the terms set out in this agreement and Network User agrees to accept that offer by entering into this *connection agreement*.

THE PARTIES AGREE

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this agreement, except so far as the contrary intention appears:

access right means any easement, lease, licence or other access right referred to in the *Asset Development Agreement* (including the scope of work as defined in that agreement) as being required to be granted to TasNetworks so as to enable it to be able to provide the *services* or operate and maintain the works (as defined in the *Asset Development Agreement*);

agreed capability means, for a *connection point*, the maximum capability in MVA to receive or send out power through the *connection point* as specified in the relevant *SDS* in the circumstances specified in the relevant *SDS*;

agreed maximum demand means, for a *connection point*, the maximum amount of demand (in kW or MW) for a *trading interval* nominated in the relevant *SDS*;

approval means a licence, permit, consent, certificate, approval or other authorisation required to be obtained pursuant to *law* to enable performance of an act or discharge of an obligation under this agreement;

approved credit rating is a credit rating of at least BBB issued by Standard & Poor's or, if nominated and agreed to by TasNetworks, an equivalent credit rating from another credit rating agency acceptable to TasNetworks;

Asset Development Agreement means the Asset Development Agreement between TasNetworks and Network User dated [insert date];

asset failure means a need (as determined by TasNetworks acting reasonably) to repair or replace a *connection asset, non-contestable IUSA components, contestable IUSA Components* or *facility* used in association with them which is not attributable to TasNetworks' failure to operate, maintain or protect that asset, component or *facility* in accordance with *good electricity industry practice*;

asset obsolescence means a need (as determined by TasNetworks acting reasonably) to replace a *connection asset, non-contestable IUSA Components, contestable IUSA Components* or *facility* used in association with them because the asset, component or *facility* has reached the end of its useful life or become obsolete;

Asset Management Plans means plans that (as applicable) a prudent *transmission network service provider* or *Generator* would prepare and maintain outlining its procedures for operations, maintenance, expansion and refurbishment of its assets and that form the basis for management of those assets;

associate means, for a party:

- (a) a *related body corporate* of the party; or
- (b) an officer or employee of the party;

Australian bank means an "Australian bank" as defined in the *Corporations Act 2001* (Cth) which is incorporated in Australia;

Authority means the Crown, any government or regulatory department, body, instrumentality, minister of the Crown, agency or other authority (including the *AEMC*, the *AER* and *AEMO*), or any body which is the successor to the administrative responsibilities of such department, body, instrumentality, minister of the Crown, agency or other authority (but does not include the parties unless in the case of TasNetworks it is acting as *System Operator*);

business day means any *day* except a Saturday, Sunday or public holiday in Hobart;

cap amount means the amount stated in Schedule 8 as escalated in accordance with the **CPI** as provided for in Schedule 8;

cash rate means the cash rate (also known as the interbank overnight rate), recorded to two decimal places, as set by the Reserve Bank of Australia provided that if the **cash rate** cannot be so determined, then **cash rate** will be such replacement interest rate nominated by TasNetworks acting reasonably;

change in approval means:

- (a) the amendment, revocation or issue of an **approval**; or
- (b) a change in the application or interpretation of the terms of any **approval**;

change in imposts means the imposition of a new **impost** or a change in the rate or amount of an existing **impost**;

change in law means the enactment, amendment, repeal, revocation or change in the application or interpretation of any **law**, but excluding any **law** relating to the imposition of income tax;

change of control means that a change occurs in the persons or entities which directly or indirectly:

- (a) control the composition of the board of a party; or
- (b) are in a position to cast, or control the casting of, more than one-half of the maximum number of votes that may be cast at a general meeting of a party; and/or
- (c) hold more than one-half of the issued share capital of a party (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital),

but excludes any such change occurring as a result of a change or changes in ownership of the issued shares in an entity listed on the Australian Securities Exchange or another recognised securities exchange;

charges means any one or more of the charges for the **entry services**, **transmission network services** and **other services** calculated in accordance with Schedule 4 and, where relevant, clause 3.6 and any other charge TasNetworks is permitted to impose by an express provision of this agreement;

commencement date means the date specified as the commencement date in Schedule 1;

connection assets for a **connection site** means the *dedicated connection assets* for which TasNetworks is registered and that are associated with each **connection point**, as more particularly described in the relevant **SDS**;

connection point means, for a **generating unit**, the point at which the **Network User equipment** relevant to that **generating unit** connects to the **transmission network** as specified in the relevant **SDS**;

connection site means the generation site, or other site, specified in Schedule 1;

consequential loss means each of the following forms of loss:

- (a) any loss, damage or expense arising out of interruption to business, increased costs of working, loss of use of property, loss of contract or loss of production;
- (b) any loss of actual or anticipated profit or revenue or saving (but excluding TasNetworks' profit that forms part of the **charges** or other amounts payable to TasNetworks under this agreement);
- (c) any damage to goodwill, reputation or share price; or
- (d) any indirect or consequential loss (being any loss beyond that which may fairly and reasonably be considered as arising naturally (that is, according to the usual course of things) from a breach) or special or contingent damages of any kind;

contestable IUSA components means the contestable *identified user shared assets* that are constructed by the IUSA Provider (as defined in the **IWCA**) and set out in the **IWCA**;

costs event means any of the following which increases or decreases TasNetworks' costs of providing the *services* or performing its obligations under this agreement:

- (a) a **change in law**;
- (b) a **change in approval**;
- (c) a **change in imposts**;
- (d) a **New Authority Requirement**;
- (e) **asset failure**;
- (f) **asset obsolescence**;

CPI means for a particular *financial year*:

- (a) the Consumer Price Index: All Groups Index Number, weighted average of eight capital cities published by the Australian Bureau of Statistics for the March quarter immediately preceding the start of the relevant *financial year*;

divided by:

- (b) the Consumer Price Index: All Groups Index Number, weighted average of eight capital cities published by the Australian Bureau of Statistics for the March quarter immediately preceding the March quarter referred to in (a) above;

critical spares has the meaning given to it in clause 3.7(a);

cyber security incident means a breach of a system in order to affect its integrity or availability and/or the unauthorised access or attempted access to a system or systems;

default event has the meaning given to it in clause 15.1;

defaulting party has the meaning given to it in clause 15.1;

direct loss means loss, injury, damage or expense suffered or incurred by a party that results directly from, whether solely or in part, an act or omission of the other party but excluding any **consequential loss**;

dispute means any dispute or difference of opinion between TasNetworks and Network User or the absence of agreement between them about a matter under or arising out of this agreement;

dispute notice has the meaning given in clause 19.3;

electricity infrastructure means:

- (a) with respect to Network User, the **facility**; and
- (b) with respect to TasNetworks, the **TasNetworks Assets** and any part of the **transmission system** used to provide the **services**;

emergency means the actual or imminent occurrence of an event, which in any way poses or has the potential to pose a threat to the safety of persons, hazard to any **facilities**, **electricity infrastructure**, **connection assets** or property or a threat to **power system security**;

end date has the meaning set out in Schedule 1;

entry services has the meaning set out in Schedule 2;

ESI Act means the *Electricity Supply Industry Act 1995* (Tas);

execution date means the date this agreement is executed by the last party to do so;

facility means Network User's [insert facility type] at [insert location] in Tasmania comprising the **generating units**, the **Network user equipment** and related **facilities**;

FM notifying party has the meaning given to it in clause 17.1;

force majeure event means an event that:

- (a) is beyond the reasonable control of the **FM notifying party** or its **associates**;
- (b) is not caused by an act or omission of the **FM notifying party** or its **associates**; and
- (c) could not have been avoided or overcome by the **FM notifying party** or its **associates** taking reasonable precautions and steps,

including the following events, to the extent they satisfy paragraphs (a) to (c) (inclusive):

- (d) any industrial or labour dispute which the notifying party can demonstrate:
 - (i) involves persons other than the notifying party's **associates**; and
 - (ii) was not caused or induced by the acts or omissions of the notifying party or its **associates**;
- (e) natural disasters;

- (f) landslide, flood, cyclone, earthquake, severe storm, lightning strike, severe and abnormal weather condition, electro-magnetic radiation storm, explosion or fire;
- (g) an act of war, terrorism, riot, civil commotion, malicious damage, epidemic or quarantine, sabotage or revolution;
- (h) an act or omission of another person (including an *Authority*) who is not under the control of the *FM notifying party*;
- (i) where TasNetworks is the *FM notifying party*, any shortages of labour, materials or equipment (not caused by TasNetworks' breach of this agreement or negligence (including a failure to source labour, materials or equipment in accordance with *good electricity industry practice*));
- (j) where TasNetworks is the *FM notifying party*, any manufacturing defect in TasNetworks' equipment or *facilities* not caused by TasNetworks' breach of this agreement or negligence; and
- (k) where TasNetworks is the *FM notifying party*, any mechanical or electrical breakdown of TasNetworks' equipment or *facilities* not caused by TasNetworks' breach of this agreement or negligence;

generating unit means the *generating unit(s)* described in the *SDS* for each *connection site*;

Generator Performance Standards means the performance standards for each *generating unit* set out in Section 2 of the relevant *SDS*;

GST means a goods and services tax imposed under the *GST Act* and related legislation;

GST Act means A New Tax System (Goods and Services Tax) Act 1999 (Cth);

GST gross-up has the meaning given in clause 4.3;

impost means any tax (excluding income tax and GST), duty, impost, levy, licence fee or other charge imposed by any *Authority*;

incident means the occurrence of a physical event which interrupts the flow of electricity to or from TasNetworks' *transmission system* at the *connection point* excluding momentary interruptions to the flow which have no substantial consequence;

insolvency event means for a party, any of the following events:

- (a) an administrator is appointed or a resolution is passed or any steps are taken to appoint, or to pass a resolution to appoint, an administrator to that party; or

- (b) a receiver, receiver and manager, official manager, trustee, administrator, other controller (as defined in the *Corporations Act 2001* (Cth)) or similar officer is appointed over the assets or undertaking of that party; or
- (c) that party enters into or proposes to enter into any arrangement, composition or compromise with or assignment for the benefit of its creditors or a class of them; or
- (d) that party is deemed by the provisions of the *Corporations Act 2001* (Cth) to be insolvent;

intellectual property rights means any copyright, patent, registered design, design right, trade mark, trade name or any other legally protected intellectual property right;

Interface Works Construction Agreement or IWCA means the Interface Works Construction Agreement between TasNetworks, Network User and [] as “IUSA Provider” dated [insert date];

IUSA Owner means the person described as such in the *Network Operating Agreement*;

law means:

- (a) those principles of law or equity established by decisions of courts;
- (b) statutes, regulations or by-laws of the Commonwealth of Australia, the State of Tasmania or an **Authority** which have the force of law;
- (c) the Constitution of the Commonwealth of Australia;
- (d) the **Rules**;
- (e) binding requirements and binding guidelines of the Commonwealth of Australia, the State of Tasmania or an **Authority** which have the force of law;

New Authority Requirement means:

- (a) any new requirements of an **Authority** with which TasNetworks is required by **law** to comply;
- (b) any new practices or procedures of an **Authority** which, having regard to *good electricity industry practice*, require TasNetworks to modify its systems, operations or procedures; or
- (c) any change by an **Authority** to its equipment or systems (including *protection systems, control systems, cyber security systems* or other information technology systems) which, having regard to *good electricity industry practice*, requires TasNetworks to modify its systems, equipment, operations or procedures;

Network Operating Agreement or NOA means the Networks Operating Agreement between TasNetworks and [] dated [insert date];

Network User equipment for a *connection site* means:

- (a) the primary equipment between a **generating unit** and the **connection point** for the **generating unit**; and
 - (b) associated secondary equipment for such primary equipment,
- as more particularly described in the relevant **SDS**, and includes any *third party DCA*;

non-contestable IUSA components means the non-contestable *identified user shared assets* that are to be constructed by TasNetworks;

OH&S procedures means the most recent version which has been provided to the other party, from time to time, of the occupational health and safety management procedures adopted by the party on whose property the **work** is being performed;

other services means any service (other than **entry services**, *prescribed common transmission services*, or **transmission network services**) which TasNetworks agrees with Network User to provide under this agreement as more particularly described in Schedule 6;

Performance Standards means the *power system* performance and quality of *supply* standards set out in schedules 5.1a and 5.1 of the **Rules** from time to time as those standards apply to *Transmission Network Service Providers* as those standards are modified, extended or completed by any *derogations* in force under the **Rules** from time to time and as set out for the **connection site** in the relevant **SDS**;

planned works means any **work** notified by a party in accordance with clause 6.2 or 6.4;

planned works program has the meaning given to it in clause 6.3;

records means the records, data and information to be maintained by the parties under clause 10;

related company means any person or entity which:

- (a) is registered as a *Generator* under the **Rules** for any **generating unit**;
- (b) would have been required under the **Rules** to be registered as a *Generator* for any **generating unit** if another party had not been registered as an *intermediary* under the **Rules** for the relevant **generating unit**;
- (c) operates and maintains a **generating unit** and in consideration for such operation and maintenance is entitled to a portion of the revenue earned by the **generating unit** or is remunerated by reference to the revenue earned by the **generating unit**;
- (d) otherwise bids in electricity generated by any **generating unit** into the *spot market*; or
- (e) has a right to deal with or trade, or enter into hedges utilising, the electricity generated by a **generating unit**;

Rules means the National Electricity Rules made under the *National Electricity Law*, as that law applies in Tasmania;

SDS means the site data sheet for a **connection site** signed by the parties, which forms part of the terms and conditions of this agreement, as varied by the parties from time to time in accordance with clause 11.3;

security means any guarantee, performance undertaking, security interest or other document provided under clause 18 for the payment of money under this agreement;

security interest means:

- (a) any mortgage, charge, lien, pledge, hypothecation, title retention arrangement, trust or power as security for the payment of money or observance of any other obligation whether granted over real or personal property; and
- (b) anything which constitutes a “security interest” under the *Personal Properties Securities Act 2009*;

services means the **entry services**, *prescribed common transmission services*, **transmission network services** and **other services**;

suspend includes interrupt, suspend, limit or reduce (or any combination of these things) and **suspension** has a corresponding meaning;

switching means opening or closing an electrical circuit;

System Operator means a person who *AEMO* has appointed as its delegate, agent or service provider under clause 4.3.3 of the **Rules**;

TasNetworks assets has the meaning given to that term in the *Asset Development Agreement* and also includes any **connection assets**, **non-contestable IUSA components** and **contestable IUSA components**;

termination amount means the amount specified in Schedule 4 payable by Network User in accordance with clause 4.10;

transmission network services means a *transmission service* other than an **entry service** or *prescribed common transmission service*;

unplanned works means any **work** relating to a party’s **electricity infrastructure** which may adversely affect the other party but which the party, acting reasonably, considers must be undertaken to prevent or deal with an **emergency** or as a result of an **emergency**;

variation has the meaning given in clause 11.3;

variation notice has the meaning given in clause 11.3;

variation response has the meaning given in clause 11.3;

wilful default means intentional misconduct undertaken knowing it is in breach of this agreement but it does not mean any mistake or error of judgement, whether in breach of this agreement or not and whether negligent or not; and

work means any construction, commissioning, augmentation, extension, removal, inspection, testing, undertaking of repairs or undertaking of maintenance.

1.2 Interpretation

In this agreement unless the contrary intention appears:

- (a) a reference to a recital, clause, party, paragraph, Schedule or attachment is a reference to a recital and clause of and a party, paragraph, Schedule or attachment to, this agreement and references to this agreement include any Schedule or attachment;
- (b) a reference to this agreement, any other agreement or instrument or any provision of any of them includes any amendment, variation or replacement of that agreement, instrument or provision;
- (c) a reference to an *applicable regulatory instrument*, *Australian Standard* or published index includes regulations and other instruments under, and consolidations, amendments, re-enactments, extensions or replacements, as applicable of, the same;
- (d) a reference to a thing (including, an amount) is a reference to the whole or any part of it, but nothing in this clause 1.2(d) implies that the performance of part of an obligation constitutes performance of that obligation;
- (e) the singular includes the plural and vice versa;
- (f) the word “person” includes a natural person, firm, body corporate, partnership (whether limited or otherwise), joint venture, trust, an unincorporated association and any **Authority**;
- (g) a reference to a person includes a reference to the person's executors, administrators, successors and permitted assigns;
- (h) if a period of time is specified and the period dates from a given *day* or the *day* of an act or event, it is to be calculated exclusive of that *day* and, if a period of time is specified as commencing on a given *day* or the *day* of an act or event, it is to be calculated inclusive of that *day*;

- (i) a reference to a month is a reference to a calendar month;
- (j) if a term is defined in this agreement other parts of speech and grammatical forms of that term have corresponding meanings; and
- (k) the word “includes” in any of its forms is not a word of limitation.

1.3 Headings, italics and bold type

- (a) Headings are inserted for convenience and do not affect the interpretation of this agreement.
- (b) Italics are used in this agreement for convenience to identify terms defined in the *Rules*. Bold and italics is used in this agreement for convenience to identify terms defined in this agreement. The fact that a word which is so defined appears in a clause of this agreement without being italicised or bold and italicised is to be disregarded in determining whether the word is intended to have the defined meaning given to it in the *Rules* or in this agreement.

1.4 Rules terms

- (a) Subject to this clause 1.4, terms which are defined in the *Rules* which are used in this agreement have the meaning given to them in the *Rules*.
- (b) If a term is both defined in the *Rules* and in this agreement, the definition in this agreement will apply.
- (c) Where a term defined in the *Rules* in general terms is used in this agreement it will be interpreted in its context within this agreement to refer specifically to assets and services relevant to this agreement.
- (d) Where a provision of the *Rules* may be varied or waived by agreement of the parties that provision will apply except to the extent that it is waived or varied by this agreement or in relation to a *connection point* in the relevant *SDS*.

1.5 Standards and indexes

Where an *Australian Standard* or published index referred to in this agreement ceases to exist (and no replacement standard or index is nominated by the body responsible for issuing the *Australian Standard* or published index) a replacement standard or index nominated by TasNetworks (acting reasonably) to have the same purpose will be substituted for that standard or index.

1.6 Registered Participant

- (a) If Network User is not a *Registered Participant* in respect of a *generating unit* it must nevertheless comply with (or if strict compliance is not possible, then so far as possible act consistently with) the *Rules* as if it were a *Registered Participant*.

- (b) If Network User takes electricity from the *transmission system* at a **connection point** it must comply with any applicable obligations under the **Rules** relevant to Network User so taking electricity.

2. AGREEMENT

2.1 Agreement between the parties

On and from the **commencement date** and subject to and in accordance with this agreement TasNetworks and Network User agree that:

- (a) each **generating unit** will be connected to the *transmission network*, via the **Network User equipment** and **TasNetworks Assets**, at the **connection point** relevant to the **generating unit** described in the relevant **SDS**;
- (b) TasNetworks will provide the **services** to Network User; and
- (c) Network User will pay the **charges** and all other amounts payable by Network User under this agreement to TasNetworks.

2.2 Term

This agreement will commence upon its execution and unless earlier terminated by a party pursuant to the terms of this agreement will continue until 11:59 pm on the date specified as the **end date** in Schedule 1. The provision of the **services** will commence at 12.00am on the **commencement date**.

2.3 Compliance with the law, practice and standards

Each party agrees to:

- (a) perform its obligations under this agreement in accordance with the **law** and all **approvals** required to be held by the party under the **law**;
- (b) perform its obligations under this agreement in accordance with applicable standards of *good electricity industry practice*;
- (c) without limiting clause 2.3(a), comply in all material respects with all applicable *Australian Standards* if failure to so comply would materially impair its ability to perform its obligations under this agreement; and
- (d) accept and to the extent required of it comply with the technical standards and requirements set out in Schedule 5 and the relevant **SDS**.

2.4 Transfer of Contestable IUSA

- (a) Network User agrees to transfer ownership, or procure the transfer of ownership, of the *contestable IUSA components* upon practical completion (as defined under the *IWCA*) being reached free of monetary charge.
- (b) Network User must ensure good title, free from any *security interest*, to the *contestable IUSA components* vests in TasNetworks and must provide TasNetworks with all information TasNetworks, acting reasonably, requires to substantiate this has occurred.
- (c) Network User must indemnify and keep TasNetworks indemnified against any claims against TasNetworks due to Network User's breach of clause 2.4(b).
- (d) Network User warrants that the *contestable IUSA components* comply with the functional specifications (as defined under the *IWCA*).
- (e) Network User must, at Network User's own expense, do anything that TasNetworks asks (including obtaining consents, signing and producing documents and arranging signature of documents) as may be necessary or desirable to effect the transfer of the *contestable IUSA components*.
- (f) Without limiting Network User's obligation under clause 2.4(e), Network User must, at Network User's own expense, arrange for the transfer of the benefit of any warranties for material, plant and equipment which form part of the *contestable IUSA components*.
- (g) Without limiting Network User's obligation under clause 2.4(e), Network User must provide TasNetworks, in accordance with such reasonable requirements as may be specified by TasNetworks, the following:
 - (i) as built drawings;
 - (ii) site inductions;
 - (iii) training,
 for the *contestable IUSA components*.
- (h) Network User must, at the time of transfer of the *contestable IUSA components*, procure and provide TasNetworks with duly completed and executed deeds of collateral warranty from the IUSA Provider (as defined under the *IWCA*) in the form set out in Schedule 3 in favour of TasNetworks.
- (i) Network User must pay any stamp duty and any other *imposts* of any kind (whether State or Commonwealth) which are imposed or payable in respect of the transfer of the *contestable IUSA components* and arrange for any necessary stamping and registration of documents

(or if TasNetworks must as a matter of *law* pay the relevant *impost* then Network User must on demand reimburse TasNetworks the amount of the *impost*).

- (j) TasNetworks may, from time to time, require Network User to pay (or reimburse TasNetworks for) any *imposts* of any kind (whether State or Commonwealth) which are imposed or payable in respect of TasNetworks' ownership and operation of the *contestable IUSA components*.

3. ENTRY SERVICES AND OTHER SERVICES

3.1 Entry Services

- (a) TasNetworks will provide the *entry services* to Network User at the *connection points* for each *generating unit* in accordance with the *Performance Standards* and the other requirements of this agreement.
- (b) The *entry services* do not include any guarantee of access, any firm access rights, any particular level of access or any actual *power transfer capability* of TasNetworks' *transmission network*.

3.2 Prescribed Common Transmission Services

The parties acknowledge that TasNetworks will provide *prescribed common transmission services* for the benefit of all *Network Users* (including Network User) during the term of this agreement in accordance with the *Performance Standards*, the *Rules* and the other requirements of this agreement.

3.3 Other Services

TasNetworks will provide the *other services* to Network User in accordance with the requirements of Schedule 6.

3.4 Establishing New Connections

Each application or request by Network User after the *execution date* to:

- (a) establish a new *connection* with TasNetworks' *transmission network*; or
- (b) modify an existing *connection* with TasNetworks' *transmission network*,

will be dealt with as an application to establish a new *connection* to TasNetworks' *transmission network* for the purposes of chapter 5 of the *Rules*.

3.5 Transmission Network Services

- (a) If at any time after the *commencement date*, as a result of a change in a relevant *law*, TasNetworks is required to provide to Network User any new *transmission network service*

then TasNetworks may levy such charge for that *transmission network service* as is determined in accordance with the *Rules* or if the *Rules* do not provide a means for determining such charge then TasNetworks may levy a reasonable charge for such *transmission network service* (sufficient to cover its costs (including an allocation of overheads) of providing the *transmission network service* and provide a reasonable rate of return).

- (b) Network User must comply with such reasonable directions as TasNetworks may issue to enable TasNetworks to provide the new *transmission network service* in accordance with the *law* and this agreement.
- (c) TasNetworks must provide any *transmission network services* to Network User, in accordance with the other requirements of this agreement and subject to:
 - (i) the provision of the agreed *transmission network services* not resulting in:
 - (A) TasNetworks' *transmission system* being overloaded; or
 - (B) TasNetworks contravening any of the conditions of its licence under the *ESI Act*; and
 - (ii) any *constraints* that might arise on TasNetworks' *transmission system*:
 - (A) in an *emergency*;
 - (B) to carry out *planned work* in accordance with clause 6; or
 - (C) to comply with a direction under the *ESI Act* or a direction of *AEMO*.

3.6 Other Network Users

- (a) Network User agrees that TasNetworks may, at its cost and responsibility, following the provision of reasonable notice, utilise the *connection assets*, the *contestable IUSA components* and *non-contestable IUSA components* for any other purpose provided that TasNetworks is able, despite any additional connections or usage of those assets, to provide the *services* to Network User in accordance with this agreement.
- (b) Nothing in clause 3.6(a) prevents TasNetworks using *connection assets*, *contestable IUSA Components* and *non-contestable IUSA components* for any purpose for which TasNetworks is required by *law* to use those assets or components.

3.7 Critical Spares

- (a) Network User may request TasNetworks to acquire and hold spare parts or tools (*critical spares*) for the *TasNetworks assets*. Any such request must specify the specific types and number of *critical spares* Network User requests that TasNetworks hold.

- (b) More than one request may be served by Network User under clause 3.7(a).
- (c) TasNetworks will provide such information as reasonably requested by Network User as to the types of *critical spares* relevant to assets of the nature of the *TasNetworks assets*.
- (d) If TasNetworks receives a request under clause 3.7(a) it will use its reasonable endeavours (having regard to the availability of the relevant parts or tools) to acquire and hold the nominated parts or tools as *critical spares*.
- (e) TasNetworks will notify Network User once a *critical spare* acquired under this clause 3.7 has been delivered into the possession of TasNetworks.
- (f) A *critical spare* acquired under this clause 3.7 may, unless Network User otherwise agrees in writing, only be used by TasNetworks for the *TasNetworks assets*.
- (g) *Critical spares* will be owned by TasNetworks and Network User has no proprietary interest in such *critical spares*.
- (h) Nothing in this clause 3.7 requires TasNetworks to source a *critical spare* from a specific supplier if TasNetworks does not consider that such spare will comply with *good electricity industry practice* or if TasNetworks otherwise considers the supplier unreliable or has previously made a decision not to deal with that supplier.
- (i) TasNetworks will notify Network User if it uses a *critical spare* for the repair or maintenance of the *TasNetworks assets* and will only be required to replace that *critical spare* if it receives a further request from Network User under clause 3.7(a).
- (j) Network User acknowledges that in the absence of a request under this clause 3.7, TasNetworks will only hold spare parts or tools for the *transmission system* generally and that consequently there will be no guarantee that a spare part or tool will be in stock when required for repair or maintenance of the *TasNetworks assets*.
- (k) Network User must reimburse TasNetworks its reasonable costs of acquiring and storing *critical spares* under this clause 3.7, plus a reasonable margin for profit and overheads.

4. CHARGES AND PAYMENTS

4.1 Amount of Charges

Subject to clause 4.5 Network User must pay to TasNetworks the *charges* and all other amounts payable by Network User to TasNetworks under this agreement from time to time.

4.2 Invoices

- (a) TasNetworks will send tax invoices usually within 10 *business days* following the end of the month, or such other period as the parties may agree, in which the *charges* were incurred.
- (b) A tax invoice must contain sufficient information to allow Network User to assess the accuracy of the *charges* specified in the invoice.

4.3 GST

- (a) If a party (the supplier) is required to pay *GST* in respect of a supply made under or in connection with (including by reason of a breach of) this agreement, the recipient of the supply must (in addition to any other payment for, or in connection with, the supply) pay to the supplier an amount equal to such *GST* (such amount being the *GST gross-up*).
- (b) If a *GST gross-up* is payable, then the supplier must give the recipient a tax invoice for the supply.
- (c) Provided a tax invoice has been given, the *GST gross-up* must be paid by the recipient:
 - (i) if any monetary consideration is payable for the supply, at the same time and in the same manner as such monetary consideration; or
 - (ii) if no monetary consideration is payable for the supply, within 10 *business days* after the *day* on which the tax invoice is given.
- (d) If any payment to be made to a party under or in connection with this agreement is a reimbursement or indemnification of an expense or other liability incurred or to be incurred by that party, then the amount of the payment must be reduced by the amount of any input tax credit to which that party is entitled for that expense or other liability, such reduction to be effected before any increase in accordance with clause 4.3(a).
- (e) If an adjustment event has occurred in respect of a supply made under or in connection with this agreement, any party that becomes aware of the occurrence of that adjustment event must notify the other party as soon as practicable, and the parties agree to take whatever steps are necessary (including to issue an adjustment note), and to make whatever adjustments are required, to ensure that any *GST* or additional *GST* on that supply, or any refund of *GST* (or part thereof), is paid no later than 20 *business days* after the supplier first becomes aware that the adjustment event has occurred.
- (f) For the purposes of this agreement:
 - (i) terms used in this clause 4.3 that are defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) have the meaning given to them in that Act;

- (ii) a reference to a payment in this clause 4.3 includes any payment of money and any form of consideration other than payment of money; and
- (iii) all references to payments and obligations to make payments, including all references to compensation (including by way of reimbursement or indemnity), are, but for the operation of this clause 4.3, exclusive of **GST**.

4.4 Payments

Subject to clause 4.5 Network User will pay the **charges** to TasNetworks. All payments must be:

- (a) for the amount of each tax invoice including **GST**;
- (b) electronically transferred into an account or accounts nominated by TasNetworks;
- (c) transferred to the nominated account or accounts by 4:00 pm on the tenth **business day** after the date of the tax invoice or 2 **business days** after receipt of the tax invoice, whichever is the later;
- (d) without set-off or counterclaim; and
- (e) without any deduction or withholding.

4.5 Disputed Invoices

If Network User disputes a tax invoice because it considers in good faith (acting reasonably) that there is an error in the calculation of the **charges** in the tax invoice then it may withhold payment of the portion of the tax invoice it disputes because of such error provided it notifies TasNetworks of the dispute, the amount disputed and the reason it is disputed (in as much detail as is practicable) before the due date for payment of the tax invoice. Interest in accordance with clause 4.8 will accrue due on any portion withheld (which is subsequently determined to have been correctly invoiced) from the date the tax invoice was due to be paid until the date the relevant withheld portion is paid.

4.6 Adjustment of disputed invoices

- (a) If Network User has paid a tax invoice and, within 24 months of the date of the tax invoice, either party considers that Network User has been undercharged or overcharged it may refer the tax invoice to the other party with a view to establishing whether an adjustment is warranted.
- (b) If the parties agree to adjust the tax invoice TasNetworks must issue an adjusting note for the amount of the adjustment agreed by the parties plus interest calculated in accordance with clause 4.8 from the date of payment of the original tax invoice until the date of the adjusting note.

- (c) Within 15 *business days* of the issue of an adjusting note:
 - (i) Network User will pay the amount determined for an agreed undercharge to TasNetworks in accordance with clause 4.4 (except that the payment timeframe is 15 *business days* from the issue of an adjusting note); and
 - (ii) TasNetworks will pay the amount determined for an agreed overcharge to Network User as directed by Network User.
- (d) If the parties cannot agree on the adjustment of a tax invoice, the provisions of clause 19 (Dispute Resolution) will apply.

4.7 Late or non-payment

If a payment is not made by a party in accordance with clause 4.4 or clause 4.6 then the party required to make the payment must pay interest on the amount for the period from the date the payment is due until the date of payment calculated in accordance with clause 4.8.

4.8 Interest

Interest payable under this agreement will:

- (a) accrue daily at the *cash rate* for each relevant *day* plus:
 - (i) 2% in the case of interest referred to in clause 4.7; and
 - (ii) 0% in all other cases; and
- (b) be calculated:
 - (i) on a daily compounding basis; and
 - (ii) assuming a 365 *day* year.

4.9 Performance Incentive Scheme

- (a) This clause 4.9 applies to any *outage* caused by Network User or the *IUSA Owner* (including without limitation any *outage* undertaken by TasNetworks at the request of Network User or *IUSA Owner*).
- (b) If pursuant to any *service target performance incentive scheme* applicable to TasNetworks the *AER* reduces the *maximum allowed revenue* allowed to TasNetworks because of an *outage* to which this clause 4.9 applies then Network User must reimburse TasNetworks the difference between the *maximum allowed revenue* as determined by the *AER* and the *maximum allowed revenue* which would have been determined by the *AER* but for the *outage*. TasNetworks may include any amount due to it in an invoice issued under clause 4.2.

- (c) TasNetworks will use its reasonable endeavours to minimise the amount which may become payable by Network User under clause 4.9(b).

4.10 Termination amount

- (a) If this agreement is terminated for any reason (including in accordance with clauses 15.2 and 17.4) Network User must, within 5 *business days*, pay TasNetworks the *termination amount* for the relevant year.
- (b) The *termination amount* specified in Schedule 4 is exclusive of *GST* and *GST* in respect of it will be payable in accordance with clause 4.3.
- (c) If Network User does not pay the *termination amount* and any applicable *GST*, in accordance with this clause 4.10, TasNetworks may call on the *security* provided pursuant to clause 18 to satisfy the amount payable (and without limiting TasNetworks' rights against Network User if the *security* is insufficient to satisfy the full amount payable).
- (d) If the *termination amount* is found for any reason to be void, invalid or otherwise unenforceable so as to disentitle TasNetworks from recovering the *termination amount*, then TasNetworks is entitled to recover from Network User damages at common law for the loss or damage suffered or incurred by TasNetworks because of the relevant termination event, including TasNetworks' cost of debt and lost profit margin. Network User's liability for any such common law damages will not exceed the amount of the *termination amount* that would have been payable if the *termination amount* had been enforceable.

4.11 Subsequent Users

For any period in which any assets used to provide a *negotiated transmission service* to Network User are also used to provide services to a third party, TasNetworks will, acting reasonably and in accordance with any relevant principles in the *Rules*, determine a credit to be applied against Network User's relevant *charges*.

4.12 Survival

This clause 4 survives the termination or expiry of this agreement to the maximum extent necessary to ensure that all amounts (contingent or otherwise) payable to TasNetworks by Network User under this agreement are paid in accordance with this clause 4.

5. OTHER OBLIGATIONS OF NETWORK USER

5.1 Provision of network equipment by Network User

Network User must provide the *Network User equipment* and must operate and maintain the *Network User equipment* in accordance with the technical requirements and standards specified in Schedule 5 and so as to permit the *transmission* of electricity by TasNetworks up to the *agreed capability* in accordance with *good electricity industry practice*.

5.2 Generator Performance Standards

- (a) Subject to clause 5.2(d), TasNetworks and Network User agree that the *Generator Performance Standards*:
- (i) set out all of the *performance standards* that apply to the operation of each *generating unit* or any *plant* comprised within a *generating unit*; and
 - (ii) are deemed to and will apply to the operation of each *generating unit* or any *plant* comprised within a *generating unit* in place of the standards set out in schedule 5.2 of the *Rules*, except to the extent that any compliance with the *Generator Performance Standards* would be in breach of the *Rules*.
- (b) Network User must operate, control and maintain each *generating unit* in accordance with the *Generator Performance Standards* and the other requirements of this agreement.
- (c) Network User must develop and maintain in accordance with the requirements of the *Rules* a compliance program which satisfies the requirements of clauses 4.15(b) and 5.7.3 of the *Rules* for the initial and ongoing compliance of its *generating units* with the *Generator Performance Standards*.
- (d) If the wording of a *Generator Performance Standard* states that TasNetworks may exercise a right specified in that *Generator Performance Standard*, that wording will be deemed to form part of this clause 5.2.
- (e) Network User must notify TasNetworks within 1 *business day* if it serves a notice on *AEMO* under clause 4.15(f) of the *Rules* or if it receives a notice from *AEMO* under clause 4.15(i)(3) of the *Rules*.
- (f) If at any time the *facility* does not comply with the *Generator Performance Standards*, Network User must, as soon as is possible, notify TasNetworks and either:
- (i) subject to clause 5.10, make such changes to the *facility* as required to ensure it complies with the *Generator Performance Standards*; or

- (ii) seek the approval, in accordance with the **Rules**, of TasNetworks and *AEMO* to modification of the **Generator Performance Standards**.
- (g) If at any time TasNetworks believes (acting reasonably) that the **facility** does not comply with the **Generator Performance Standards** or clause 4.15 of the **Rules** and:
 - (i) complaints are received from other *Network Users* that they are being adversely affected by such non-compliance; or
 - (ii) any other **facility** or equipment (including the *transmission system*) is being adversely affected by such non-compliance,
 then TasNetworks may:
 - (iii) direct Network User to take such steps as TasNetworks considers are required to eliminate or minimise the adverse effect (including constraining or limiting the operation of the **facility** or of specific equipment within the **facility**); and/or
 - (iv) itself take such steps as it considers required to eliminate or minimise the adverse effect (including interrupting or curtailing the provision of the **services**).
- (h) Network User must as soon as reasonably practicable comply with any direction given by TasNetworks.
- (i) Nothing in this clause 5.2 limits TasNetworks' rights to disconnect the **facility**.

5.3 Testing

- (a) If TasNetworks (acting reasonably) considers the **facility** does not or may not comply with the requirements of this agreement (including the **Generator Performance Standards**) then TasNetworks may require Network User (at Network User's cost) to undertake such tests nominated by TasNetworks to demonstrate the **facility** complies with the requirements of this agreement.
- (b) Network User must promptly undertake any tests required by TasNetworks under clause 5.3(a) in accordance with any reasonable instructions provided by TasNetworks (including permitting representatives of TasNetworks to be present at the tests and provision of the results of the tests to TasNetworks).
- (c) Nothing in this clause 5.3 limits clauses 5.7 and 5.8 of the **Rules**.

5.4 Maximum Power Transfer Capability

- (a) Network User must not submit a *dispatch offer* for a **generating unit** which would require the **generating unit** to be operated so as to exceed the **agreed capability** for that **generating unit**.

- (b) Network User must not operate a *non-scheduled generating unit* or *semi-scheduled generating unit* so as to exceed the **agreed capability** for that **generating unit**.

5.5 Metering

Unless otherwise provided in the relevant **SDS**:

- (a) Network User is responsible for the payment of all costs associated with the provision, installation, maintenance, routine testing and inspection of the *metering installations* for the **connection point**;
- (b) a party will not incur any liability to the other party should *metering data* substitution be required due to a *metering installation* failing to operate as required by the **Rules** unless such failure is a result of the **wilful default** of that party;
- (c) Network User will engage a *Metering Provider* to install and maintain the *metering installations*;
- (d) Network User is the *Metering Coordinator* under the **Rules** for the *metering installations* for the **connection point**;
- (e) Network User will ensure that the *metering installations* are installed to meet minimum *Australian Standards* and those required under the **Rules** in respect of installation of such *metering installations*; and
- (f) Network User, or its *Metering Coordinator*, will engage a *Metering Data Provider* to conduct meter readings, store data for each *metering installation* and provide such data to TasNetworks in such form as TasNetworks reasonably determines in accordance with the **Rules**.

For the purposes of this clause 5.5, the *metering installations* covering each **connection point** and the location of the *metering point* for each *metering installation* is specified in the relevant **SDS**.

5.6 System Protection

Network User must participate in the *protection systems* for each **connection site** as specified in the relevant **SDS** and comply with its obligations as set out in the relevant **SDS** relating to the *protection systems*.

5.7 Obligation to provide information

- (a) Network User must provide to TasNetworks (within 20 **business days** of request) the following information (including data) as requested by TasNetworks from time to time:

- (i) information concerning the *facility* or its operation (provided such information is reasonably required by TasNetworks for the purposes of discharging its obligations under this agreement or at *law* or to monitor compliance by Network User with its obligations under this agreement); or
- (ii) information required under the *Rules*, including schedules 5.2, 5.3, 5.5 and 5.7 of the *Rules*;
- (iii) information which is reasonably required by TasNetworks to comply with its obligations under this agreement, the *Network Operating Agreement* or under *law*; or
- (iv) information which is reasonably required by TasNetworks for the operation, development or maintenance of the *transmission system* in accordance with *good electricity industry practice* and the requirements of *law*.

5.8 Communications

Network User is responsible under the *Rules* for the provision and maintenance of the communication systems between each *generating unit* and the communications interface with TasNetworks identified in the *Generator Performance Standards*.

5.9 Special Protection Scheme Obligations

- (a) Network User must participate in the special protection schemes specified in the *SDS* by receiving and responding to signals issued by TasNetworks.
- (b) In addition to its obligations under clause 5.9(a), if at any time *AEMO* introduces or publishes any special protection scheme, *emergency frequency control scheme*, emergency control scheme or other similar requirements, Network User must comply with such schemes in so far as they are relevant to the *facility*.
- (c) Subject to such directions not being inconsistent with the requirements of the relevant schemes, TasNetworks may (acting reasonably) issue directions to Network User as to how it should implement any such scheme and Network User must comply with any such direction.

5.10 Plant Modification

- (a) Network User may not alter any *plant* or equipment forming part of the *facility* (including any *protection systems*, *control systems* or SCADA systems) without TasNetworks' consent.

- (b) Clause 5.10(a) does not prohibit Network User replacing used or damaged parts with like for like parts or making minor or routine changes to *plant* or equipment which will not have any impact on the *transmission system*.
- (c) Where the relevant alteration requires approval under the **Rules** (including under clause 5.3.9 of the **Rules**) the alteration will be assessed in accordance with the requirements of the **Rules**.
- (d) Where clause 5.10(c) does not apply to an alteration, then TasNetworks will not unreasonably withhold its consent to the proposed alteration.
- (e) TasNetworks may charge Network User its reasonable costs of considering any application for consent under clause 5.10(a).

5.11 Cyber Security

- (a) Network User must take reasonable steps, and which are in accordance with *good electricity industry practice*, to prevent **cyber security incidents** from affecting the **facility**.
- (b) Network User must implement in accordance with *good electricity industry practice* and any reasonable requirements notified by TasNetworks, measures to protect the integrity of any electronic communications and interface between the *transmission system* and the **facility** from a **cyber security incident**.
- (c) Any measures required by TasNetworks to ensure communications and interface between the *transmission system* and the **facility** comply with **law** will be deemed to be reasonable.
- (d) Network User must provide such information to TasNetworks, and undertake such tests, as reasonably required by TasNetworks to substantiate that Network User is complying with this clause 5.11.
- (e) Network User must immediately notify TasNetworks of any **cyber security incident** relating to the **facility** that affects or could be reasonably expected to affect TasNetworks' *transmission system* in any way.

5.12 Intellectual Property

- (a) Network User grants TasNetworks a perpetual, irrevocable, worldwide, non-exclusive, royalty free licence (with a right to sublicense or transfer the licence) to use the **intellectual property rights** in any documents provided by Network User to TasNetworks under this agreement as required by TasNetworks to discharge TasNetworks' obligations and exercise its rights under this agreement, any other contractual arrangement relating to the **TasNetworks assets** or the **facility** and at **law**.

- (b) Network User warrants it has all necessary rights to grant such licence and indemnifies TasNetworks against any claims against TasNetworks due to such warranty being breached.

6. WORKS AND ASSET MANAGEMENT

6.1 General

- (a) The parties will:
- (i) use reasonable endeavours to ensure the co-ordination of **work** so as to minimise disruption to provision of the **services**;
 - (ii) in the case of TasNetworks, not unreasonably delay or restrict Network User from performing **work** which is necessary for it to perform to comply with the requirements of this agreement, including conforming with *good electricity industry practice*; and
 - (iii) in the case of Network User not unreasonably delay or restrict TasNetworks from performing **work** which is necessary for it to perform to comply with the requirements of this agreement, including conforming with *good electricity industry practice*, or which it is required to undertake to maintain the *transmission system* in accordance with *good electricity industry practice*.
- (b) Each party will, in carrying out any **work**, diligently carry out that **work** and ensure that it is completed in a timely manner.
- (c) Where a party requires the other party's consent under any **law** before it can perform any **work**, that consent will not be unreasonably withheld or delayed.
- (d) Nothing in this clause 6.1 will prevent a party immediately carrying out any **unplanned works**. The party needing to undertake any **unplanned works** must notify the other party as soon as possible after it becomes aware of the need to undertake the **unplanned works**.

6.2 Notification of planned works

- (a) No later than one month before the end of each *financial year*, each party will notify the other of any **work** the party proposes to perform in the next two *financial years* on its **electricity infrastructure** which, acting reasonably, it considers may have a material adverse effect on:
- (i) the provision of the **services** under this agreement;
 - (ii) the supply of electricity to the *transmission network* from a **connection site**; or
 - (iii) the **connection assets**, the other party's **electricity infrastructure** or other property.

- (b) Despite clause 6.2(a) should either party wish to perform any **work** not previously notified in accordance with clause 6.2(a), that the party, acting reasonably, considers may have a material adverse effect on the matters set out in clause 6.2(a)(i), 6.2(a)(ii) or 6.2(a)(iii), then that party must notify the other party as soon as reasonably practicable of its intention to undertake that **work**.

6.3 Co-ordination of planned works

Within the period of 60 **days** following the delivery of the notifications required under clause 6.2(a) the parties will use reasonable endeavours to co-ordinate the **planned works** they propose to perform in the next two *financial years*, including any required *outages*, into a program (“**planned works program**”) to ensure as far as practicable that the parties’ **planned works** and *outages* required to carry out the **planned works** are co-ordinated to minimise disruption to the *services*.

6.4 Amendment of the planned works program

If at any time after the delivery of notifications referred to in clause 6.2(a) a party becomes aware of additional **work** which is to be undertaken during the period covered by the current **planned works program** then:

- (a) that party must notify the other party as soon as possible after it becomes aware of the need to perform the **work**; and
- (b) the parties must use reasonable endeavours to co-ordinate the additional **work** into the existing **planned works program** so as to ensure, as far as practicable, that the parties’ **planned works** and *outages* required to perform the **planned works** are co-ordinated to minimise disruption to the *services*.

[Drafting Note: alternate clause utilising the Planned Work Protocol is below to replace clauses 6.2 to 6.4:

- (a) *Each party will ensure that no later than one month before the end of each financial year, each party will notify the other of any **work** the party proposes to perform in the next two financial years on its **electricity infrastructure** which, acting reasonably, it considers may have a material adverse effect on:*
- (i) *the provision of the **services** under this agreement;*
- (ii) *the supply of electricity to the transmission network from a **connection site**; or*
- (iii) *the **connection assets**, the other party’s **electricity infrastructure** or other property.*

- (b) *Should either party wish to perform any **work** not previously notified in accordance with clause (a), and which the party, acting reasonably, considers may have a material adverse effect on the matters set out in (a)(i) to (iii), then that party must notify the other party as soon as reasonably practicable of its intention to undertake that **work**; and*
- (c) *In coordinating and executing the **work** described in sub-clauses (a) and (b) above, the parties will use reasonable endeavours to comply with the **Planned Work Protocol**, and so as to ensure as far as reasonably practicable that the relevant **works** and outages required to carry out the **works** are co-ordinated to minimise disruption to the **services**. To the extent that there is any inconsistency between this agreement and the **Planned Work Protocol**, this agreement prevails to the extent of the inconsistency.*

Revised or new definitions:

*[Revised] **Planned Work** means any **work** notified by a party in accordance with clause 6.2;*

*[New] **Planned Work Protocol** means the document titled 'Protocol for Coordinating Planned Work between TasNetworks and Transmission Customers and regarding Operational Communications' as published on TasNetworks' website and updated from time to time in accordance with the procedures outlined in that document.]*

6.5 Asset management obligations

- (a) Each party must manage and maintain its **electricity infrastructure**:
- (i) in accordance with the requirements of all **laws**, this agreement, including the technical obligations set out in the **SDS**, *good electricity industry practice*, any **Asset Management Plans** and any practices approved and agreed between the parties; and
- (ii) so as to avoid any damage to or other adverse effect upon:
- (A) the other party's **electricity infrastructure** or other property; or
- (B) any property of a third person that is connected to the other party's **electricity infrastructure**; or
- (C) any other person connected to TasNetworks' *transmission system*, which that party knows, or reasonably ought to know, could occur if it does not comply with this clause 6.5.

- (b) In this clause 6.5 'manage and maintain' includes providing, managing and maintaining such systems and procedures as are reasonably required to manage and maintain that *electricity infrastructure*.

6.6 Asset Safety

- (a) Network User must not undertake any *work* (whether above or below ground) within 50 metres of any part of the *transmission system* without the prior written consent of TasNetworks. TasNetworks will promptly consider any application for such consent and will not unreasonably withhold any such consent.
- (b) Network User must ensure that any *work* it undertakes does not cause instability, movement or subsidence of any areas surrounding any part of the *transmission system* which may have an adverse effect on, or cause damage to, the *transmission system*.
- (c) If TasNetworks (acting reasonably) considers any *works* being undertaken by Network User constitute a threat to the integrity of the *transmission system* then TasNetworks may (as it considers appropriate) direct Network User to:
- (i) cease the *work* until the threat to the *transmission system* is satisfactorily addressed; or
 - (ii) modify the manner in which it is undertaking the *work* (including by employing additional safety procedures) to avoid or minimise the threat.
- (d) Network User must comply with any direction given by TasNetworks under clause 6.6(c).
- (e) TasNetworks may take such action as it (acting reasonably) considers is required to address any threat caused to the *transmission system* by *work* undertaken by Network User and Network User must reimburse TasNetworks the reasonable costs it incurs in taking such steps.

6.7 Asset management plans

- (a) TasNetworks will develop and maintain *Asset Management Plans* for its *electricity infrastructure* including the *connection assets* in accordance with *good electricity industry practice* and taking into account contracted service levels and current performance.
- (b) Network User will develop and maintain *Asset Management Plans* for its *electricity infrastructure* including the *Network User equipment* in accordance with *good electricity industry practice* and taking into account contracted service levels and current performance.
- (c) Either party may, by written notice to the other party, require the other party to provide within 10 *business days* copies of the relevant parts of the other party's *Asset Management*

Plans, developed and maintained in accordance with this clause 6.7, provided that such request is made for the purpose of co-ordinating **planned works** in accordance with clause 6.3.

- (d) This clause 6.7 does not oblige a party to agree to a request by the other party to amend any **Asset Management Plans** prepared in accordance with this clause 6.7.

6.8 Tests of Control Systems and Protection Systems

- (a) Network User must conduct tests of the *control systems* and *protection systems* forming part of the **facility**:
- (i) every 4 years; or
 - (ii) at such shorter intervals as set out in Network User's compliance monitoring program applicable under clause 4.15 of the **Rules**.
- (b) Such tests must be conducted in accordance with *good electricity industry practice*, any requirements of the compliance monitoring program, any requirements of *AEMO* and in accordance with any reasonable directions of TasNetworks.
- (c) Network User must provide to TasNetworks copies of details of each test conducted under clause 6.8(a) and the results of that test as soon as reasonably practicable after completion of the test.

7. SWITCHING

7.1 Requested switching

- (a) Each party will perform **switching** on its *electricity infrastructure* reasonably requested by the other party for the purpose of safely undertaking **planned works** or to achieve the conditions specified for a **connection site** in the relevant **SDS**.
- (b) Each party will provide at least 5 **business days'** notice to the other party of **switching** required by it under clause 7.1(a).

7.2 Emergency switching

TasNetworks and Network User must have operating staff available to ensure minimal delay in performing **switching** which could be requested by the other party at less than the notice specified in clause 7.1 due to an **emergency**.

7.3 General switching requirements

The parties acknowledge that all **switching** carried out under this agreement must be conducted by operators with the requisite qualifications and experience and in accordance with *good electricity industry practice*, and must be communicated to the other party where the **switching** could reasonably be anticipated to affect:

- (a) the *transmission system* where the other party is TasNetworks;
- (b) one or more **generating units** where the other party is Network User.

8. DISCONNECTION AND REDUCTION IN SERVICES

8.1 Disconnection and suspension

TasNetworks may *disconnect* a **connection point** at a **connection site** or otherwise *suspend* the **services**:

- (a) for the purpose of performing any **work** (whether *planned work* or *unplanned work*) on the **connection assets, non-contestable IUSA components, contestable IUSA components** or the remainder of the *transmission system*;
- (b) if, in TasNetworks' reasonable opinion, required due to a **force majeure event**;
- (c) if, in TasNetworks' reasonable opinion, a failure to do so would result in TasNetworks' *transmission system* being overloaded or a contravention of the conditions of TasNetworks' transmission licence;
- (d) if TasNetworks suspends all or part of the **services** in accordance with clause 15.2 (notice of default);
- (e) immediately in circumstances where, in TasNetworks' reasonable opinion, it is urgently required as a result of any actual or potential **emergency**;
- (f) if requested in writing by Network User;
- (g) upon termination of this agreement under clause 15 (Default) or clause 17 (Force majeure);
- (h) in accordance with any direction, order, requisition, or injunction of any **Authority** including, without limitation, under any **law**;
- (i) if TasNetworks considers this is required to avoid or mitigate any threat to the integrity of the *transmission system*, or TasNetworks' ability to provide services to other Network Users;
- (j) in accordance with the terms of any agreed *control system, protection system* or run back or tripping scheme in force between TasNetworks and Network User;
- (k) if required in line with circuit outage conditions as identified in section 1.5 of the **SDS**; or

- (l) as otherwise provided or required under any *law*.

8.2 Reason for disconnection or suspension

- (a) Subject to clause 8.2(b), if TasNetworks proposes to exercise its rights under clause 8.1 in circumstances where it considers Network User would not reasonably be likely to be aware of the reason for such exercise, it must, if reasonably practicable, notify Network User of the proposed action and the reasons why TasNetworks proposes to exercise that right. If it is not reasonably practicable to give notice prior to the exercise of the right then TasNetworks must give notice to Network User as soon as reasonably practicable after the exercise of the right.
- (b) If TasNetworks' exercise of a right under clause 8.1 arises by reason of an *emergency*, then TasNetworks must notify Network User of the action taken and as soon as reasonably possible after the exercise of that right, TasNetworks will notify Network User of the nature of the *emergency* and the steps being taken to deal with that *emergency*.

8.3 Network User Self-Disconnection

Network User must *disconnect* the *facility* from the *transmission system* if the operation of any part of the *facility* or conditions on the *transmission system* might damage or reduce the life of the *facility*. Network User must ensure it has in place all necessary measures to automatically detect such circumstances and *disconnect*, including by installing all necessary monitoring equipment and redundancy.

8.4 Length of Disconnection

Network User must ensure that the *facility* is designed, operated and maintained such that it can be *disconnected* from the *transmission system* for an extended period of time.

8.5 No effect on Charges

Any exercise of TasNetworks' rights under clause 8.1 or *disconnection* under clause 8.3 does not affect Network User's obligation to pay the *charges*.

8.6 Reconnection and restoration of transmission services

- (a) If TasNetworks *disconnects* a *connection point*, TasNetworks must reconnect or energise that *connection point* (as the case may be) as soon as reasonably practicable after the circumstances giving rise to the *disconnection* have ceased or have been rectified, unless the

disconnection occurred as a result of the termination of this agreement or of particular *services* under this agreement.

- (b) If TasNetworks *suspends* the provision of *services*, TasNetworks must stop *suspending* the *services* as soon as reasonably practicable after the circumstances justifying the *suspension* of *services* have ceased or have been rectified.

8.7 Costs of disconnection or suspension of transmission services

- (a) TasNetworks will bear all costs of a *disconnection* or *suspension* of *services* (and any costs of reconnection or resumption of *services*) in accordance with clauses 8.1 unless:
- (i) the *disconnection* or *suspension* of *services* in accordance with clause 8.1 was solely due to the acts or omissions of Network User and/or the **IUSA Owner**. In such circumstances, Network User must pay to TasNetworks the reasonable costs incurred by TasNetworks in implementing a *disconnection* or *suspension* of *services* and complying with its obligations under clause 8.6; or
 - (ii) the *disconnection* or *suspension* of *services* in accordance with clause 8.1 was due in part to the acts or omissions of Network User and/or the **IUSA Owner**. In such circumstances, Network User must pay to TasNetworks such proportion of the reasonable costs incurred by TasNetworks in implementing a *disconnection* or *suspension* of *services* and complying with its obligations under clause 8.6, as reflects the extent to which the *disconnection* or *suspension* was due to such acts or omissions (as determined by TasNetworks acting reasonably).
- (b) After reconnection or resumption of *services*, TasNetworks will provide Network User with a tax invoice for any amount payable by Network User under clauses 8.7(a). Network User must pay the amount stated in the tax invoice within 5 **business days** after receipt of the tax invoice (and which payment must otherwise be made in accordance with clause 4.4).

9. ACCESS

9.1 TasNetworks' site access

- (a) If any of TasNetworks' **electricity infrastructure** is to be located or is located on Network User's property, TasNetworks will have:
- (i) a right of access to, and over, Network User's property for the purpose of installing, testing, inspecting, maintaining, reading, repairing, replacing, operating or removing any of TasNetworks' **electricity infrastructure** and for any related

purpose (including undertaking additional connections as contemplated in clause 3.6); and

- (ii) a right to use (at its own expense or on the condition that it reimburses Network User for expenditure incurred) amenities available to Network User at the property, provided, however, that such rights of access or use may not be exercised in a manner which prevents Network User from performing its obligations under this agreement or otherwise performing its day to day activities at the property.
- (b) Network User must permit TasNetworks to have such access to the *facility* as required by TasNetworks to exercise its rights under this agreement or at *law* including to monitor the compliance of the *facility* with the requirements of this agreement.
- (c) In exercising the rights of access and use under this clause 9.1, TasNetworks must comply with any reasonable procedures notified from time to time by Network User, including the *OH&S procedures*.

9.2 Network User's site access

- (a) If any of Network User's *electricity infrastructure* is to be located, or is located, on TasNetworks' property, Network User will have:
 - (i) a right of access to and over TasNetworks' property for the purpose of installing, testing, inspecting, maintaining, reading, repairing, replacing, operating or removing any of Network User's *electricity infrastructure* and for any related purpose; and
 - (ii) a right to use (at its own expense or on the condition that it reimburses TasNetworks for expenditure incurred) amenities available to TasNetworks at the property, provided, however, that such rights of access or use may not be exercised in a manner which prevents TasNetworks from performing its obligations under this agreement or otherwise performing its day to day activities at the property.
- (b) In exercising the rights of access and use under this clause 9.2, Network User must comply with the terms of any access arrangement and any reasonable procedures or directions as notified from time to time by TasNetworks, including the *OH&S procedures*.

9.3 Provisions applying to access

The right of access conferred by clause 9.1 or 9.2 will, where or when appropriate, be exercised as follows:

- (a) where reasonably practicable to do so, the party seeking access will give the other party notice which is reasonable in the circumstances that it will be exercising its right of access and the purpose for which access is required; and
- (b) the party seeking access will cause as little inconvenience to the other party as is practicable and will observe the other party's *OH&S procedures* (to the extent they are applicable) at all times,

and will be in addition to any right of access either party may have under *applicable regulatory instruments* and the *Rules*.

9.4 Each Party's access to another person's property

If a party's *electricity infrastructure* occupies third party property and the other party requires access to the same for the proper performance of its obligations under this agreement, the occupying party must use its reasonable endeavours to secure a right of access for the other party on terms acceptable to that party, provided that the other party complies with any reasonable requirements imposed by those terms. If the occupying party fails to secure such right of access then the other party may *suspend* performance of those obligations under this agreement the proper performance of which requires access to the third party property, until such access is secured.

9.5 Revision of Access Rights

If:

- (a) other than due to TasNetworks' breach of the terms of the relevant *access right*, an *access right* is terminated or otherwise ceases to operate;
- (b) in accordance with the terms of an *access right*, TasNetworks is required to relocate any of its *electricity infrastructure*; or
- (c) due to any circumstances beyond TasNetworks' reasonable control TasNetworks is required by *good electricity industry practice* to relocate *electricity infrastructure* the subject of an *access right* or to install additional *electricity infrastructure* or assets to provide the *services* under this agreement and which *electricity infrastructure* or assets will need to be (having regard to *good electricity industry practice*) located in an area which is not the subject of an existing *access right*,

then:

- (d) User must reimburse TasNetworks its reasonable costs of relocating or installing the relevant *electricity infrastructure* and/or acquiring new access rights;

- (e) if User obtained the original ***access right*** for TasNetworks then, unless TasNetworks elects otherwise, User must, on terms acceptable to TasNetworks acting reasonably, obtain a replacement access right for TasNetworks; and
- (f) TasNetworks is not liable for any period in which it cannot provide ***services*** due to loss of an ***access right*** (but TasNetworks will act reasonably to mitigate the period for which it cannot provide ***services***).

Once installed any new assets will be regarded as part of TasNetworks' ***electricity infrastructure*** for the purposes of this agreement.

9.6 Survive termination

This clause 9 survives expiration or termination of this agreement for 12 months but only for the purpose of enabling TasNetworks to *disconnect* the ***facility*** or either party to remove any ***electricity infrastructure*** provided by it on property belonging to the other party or a third party.

9.7 Safety

- (a) In respect of the ***connection sites*** each party must observe the obligations placed on it under applicable occupational health and safety legislation (including, without limitation, the *Electricity Industry Safety and Administration Act 1997* (Tas), any regulations made under that Act, and the applicable ***OH&S procedures***) and must provide a safe working environment.
- (b) Each party must promptly notify the other of the existence of any hazard which will affect or is likely to affect the other party and which is known to the party and is not known to, or observable by, the other party, regardless of the ownership of the property on which it exists.
- (c) A party is not required to provide the other party with any information which is subject to legal professional privilege or is subject to an obligation of confidentiality.

9.8 Environmental management

- (a) Each party must observe the obligations placed on it under applicable environmental legislation.
- (b) Each party must promptly notify the other party of the existence of any environmental hazard or the occurrence of an environmental event affecting or likely to affect the other party if the environmental hazard or the environmental event is known to the party, regardless of the ownership of the property on which it exists or occurs.

- (c) A party is not required to provide the other party with any information which is subject to legal professional privilege or is subject to an obligation of confidentiality.

10. RECORDS

Each party will maintain the *records* specified for it in Schedule 7 and will provide to the other party all such *records* maintained by it upon reasonable request by the other party. Such *records* must be kept up to date and any revision sent to the other party as soon as practicable after the *record* is revised.

11. CHANGE EVENTS

11.1 Adjustment to Charges

- (a) If a *costs event* occurs which increases TasNetworks' costs of providing the *services* or performing its obligations under this agreement TasNetworks may, as required to enable TasNetworks to recover the additional costs it incurs as a result of the *costs event*:
- (i) vary the amount of one or more existing *charges*; or
 - (ii) levy an additional charge upon Network User (which may be a recurring charge or a one-off charge) and which additional charge will be taken to be a *charge* for the purposes of this agreement.
- (b) If a *costs event* occurs which decreases TasNetworks' costs of providing the *services* or performing its obligations under this agreement then, subject to any requirements under *law* as to how the benefit of such decrease should be passed through to Network User, TasNetworks will vary the *charges* or pass through a separate rebate as TasNetworks determines, acting reasonably, is required to pass through to Network User the benefit of that decrease.
- (c) TasNetworks will provide such evidence as is reasonably required to substantiate how it has determined any change to the *charges* or amount of the additional *charge* or rebate under this clause 11.1.
- (d) TasNetworks is not entitled to recover a cost which TasNetworks would not have incurred had it acted in accordance with *good electricity industry practice*.
- (e) Where the relevant *costs event* is an *asset failure* the costs recoverable by TasNetworks will not include any costs which TasNetworks is entitled to receive reimbursement for under any insurance policy held by TasNetworks.

11.2 Review of agreement

- (a) If due to a *change in law* this agreement (and the transactions under it) are no longer capable of operating in a manner consistent with the requirements of *law* or with the structure of the Tasmanian electricity market, then TasNetworks may make such amendments to this agreement as reasonably required to reflect that *change in law*.
- (b) TasNetworks will provide to Network User a draft of any amendments to this agreement proposed by TasNetworks and allow Network User 15 *business days* to provide comments on those amendments.
- (c) At any time within 20 *business days* of the expiry of that 15 *business day* period TasNetworks may issue to Network User the final form of the amendments to this agreement which amendments will, subject to clause 11.2(d), take effect automatically as from the time of issue by TasNetworks of its notice.
- (d) Nothing in this clause 11.2 prevents Network User challenging via court proceedings whether amendments made by TasNetworks under this clause 11.2 are reasonably required to reflect the relevant *change in law* including seeking an injunction to stay the operation of the amendments pending the outcome of those proceedings.

11.3 Variation of SDS

- (a) If as a result of an *application to connect* in accordance with Chapter 5 of the *Rules* the parties agree to vary an *SDS* for the purpose of entering into a *connection agreement* for the *connection* to be modified as a result of the *application to connect*, subject to gaining all relevant *approvals* for any necessary augmentation or extension works to the *transmission network*, the *SDS* will be varied with effect from the later of the date of the parties' agreement based on the offer to *connect* or the date on which the required *approvals* are obtained.
- (b) Either party may give notice initiating a variation of an *SDS* ("*variation notice*") if the party:
 - (i) identifies any inaccuracy in the *SDS*;
 - (ii) considers that the *SDS* needs to be updated as a result of a *change in law*; or
 - (iii) proposes some other amendment to the *SDS*.
- (c) A *variation notice* under clause 11.3(b) must state:
 - (i) the *SDS* to which it relates;
 - (ii) the variation proposed ("*variation*"); and
 - (iii) reasons supporting the *variation*.

- (d) Within 20 **business days** after a **variation notice** is given, the party receiving the **variation notice** must advise the other party in writing (“**variation response**”):
 - (i) whether it accepts the **variation**; or
 - (ii) if it does not accept the **variation**, its reasons for not accepting the **variation** and the conditions, if any, on which it will agree to the **variation** or an alternate **variation**.
- (e) If the party requesting the **variation** accepts the conditions or alternate **variation** proposed under clause 11.3(d)(ii) the party must advise its acceptance by notice in writing within 10 **business days** of the date of the response.
- (f) In a case where the party receiving the **variation notice** does not agree to the **variation** or is only prepared to agree subject to conditions which are not accepted in writing by the party giving the **variation notice** in accordance with clause 11.3(e):
 - (i) if the **variation** is requested by Network User and relates to a change in protection settings and TasNetworks considers the protection setting changes are not appropriate Network User may make an application under Chapter 5 of the **Rules** to modify the **connection**; and
 - (ii) in any other case, the parties must meet within a further 5 **business days** to discuss the **SDS** referred to in the **variation notice**.
- (g) If the parties reach agreement recorded in writing under clause 11.3(d) or (e) or as the outcome of a meeting or process agreed at a meeting under clause 11.3(f) the **SDS** will be amended in accordance with the agreement of the parties with effect from the date the change is agreed in writing or such other date that the parties agree in writing.
- (h) Following the variation of an **SDS** in accordance with this clause TasNetworks will update the master version of the **SDS**, arrange for execution by each party and provide a copy of the **SDS** varied as agreed by the parties to Network User.
- (i) No failure to agree under this clause 11.3 is capable of reference to dispute resolution under this agreement.
- (j) This clause 11.3 does not limit the application of clause 11.2.

12. COMMUNICATIONS

12.1 Operational Communications

The parties agree that communications in the course of the day to day running of the *electricity infrastructure* of either party for which written notice is not required by this agreement (in this clause called “operational communications”) may be by telephone or other instantaneous means of communication. A party may determine the manner in which it records operational communications provided it ensures that logs are kept in which persons giving and receiving operational communications record brief details of the substance and timing of the communications. Each party must keep its records of operational communications according to the requirements and procedures outlined in the *Rules*.

12.2 Exchange of information following an incident

- (a) Following an *incident* a party must, on written request made by the other party, within 5 *business days* of such a request in writing respond explaining the *incident* and including:
- (i) a description of the *incident* and its impact;
 - (ii) the cause of the *incident* and any relevant findings; and
 - (iii) details of any steps which have been (or which will be) taken to mitigate or prevent a recurrence of the *incident*.
- (b) If any of the information required under clause 12.2(a) is not available at the time the response is provided the party required to provide the information will provide a further report to the other party within 20 *business days* of the date of the *incident*.

12.3 Recording of telephone conversations

Network User acknowledges that all telephone calls to or from TasNetworks’ control room are recorded and to any extent required by *law* consents to the recording of such telephone calls for and on behalf of its *representatives*.

13. REPRESENTATIONS AND WARRANTIES

13.1 Representations and warranties

As at the *execution date*, each party represents and warrants to the other party that:

- (a) it is duly formed and validly existing under the laws of Australia;
- (b) it has the power to execute this agreement and to perform its obligations under this agreement and has taken all necessary action to authorise such execution and performance; and

- (c) the execution and performance of this agreement does not breach any *law* applicable to it in relation to this agreement or any provision of its constitutional documents.

13.2 Approvals

Each party must ensure it has all *approvals* required from time to time to lawfully discharge its obligations under this agreement.

13.3 Continuing representations and warranties

The representations and warranties given in clause 13.1 are continuing representations and warranties, and will not merge on, and will remain in full force and effect after, the *execution date*.

13.4 Separate representations and warranties

Each representation and warranty given in clause 13.1 is to be treated as a separate representation and warranty in respect of each statement made and the interpretation of any statement made is not restricted by any reference to or inference from any other statement.

14. LIABILITY AND INDEMNITIES

14.1 Exclusion of Implied Terms

The parties exclude from this agreement all conditions, warranties and terms imposed or implied by *law*, except any condition, warranty or term the exclusion of which would:

- (a) contravene the *law* which imposed or implied it; or
- (b) cause this clause 14 to be void.

14.2 No Waiver

Each party acknowledges that the terms of this agreement do not represent a waiver by the other party of, nor an agreement to exclude, any limitation of its liability which it may have under the *National Electricity Law*.

14.3 Liability for damage to property, death and personal injury

- (a) Neither party is liable to the other for any losses, damages, expenses or costs suffered or incurred by the other party under or in connection with this agreement unless the act or omission of the party causing the loss, damage, expense or cost constitutes a failure to observe *good electricity industry practice* or an act of *wilful default* or negligence of that party or any of its *representatives* in which case the liability of the offending party to the other party shall be limited to the following:

- (i) the direct loss or damage to the *electricity infrastructure* of the other party;
 - (ii) the liability of the other party for any third party property damage; and
 - (iii) damages for death or personal injury.
- (b) Without limiting clause 14.3(a), a party's liability to the other party under or in connection with this agreement is limited to the *direct loss* suffered by the other party.
- (c) Clause 14.3(a) and clause 14.3(b) do not limit:
- (i) Network User's liability for the *charges* under clause 4, for the *termination amount* under clause 4.10 or for any other amount it is required to pay by an express provision of this agreement;
 - (ii) a party's liability for *GST* or interest;
 - (iii) TasNetworks' liability to refund any amount overpaid by Network User; and
 - (iv) a party's liability under any indemnity given by it under this agreement.

14.4 Cap amount

- (a) Subject to clause 14.4(b), the aggregate amount recoverable by one party from the other party in relation to events occurring in a *financial year* under this agreement and all other *connection agreements* between the parties is limited to the *cap amount* in that *financial year*.
- (b) A party's liability in respect of the following is not limited by clause 14.4(a), and is not counted towards the limit on the party's liability under clause 14.4(a):
- (i) Network User's liability for the *charges* under clause 4, for the *termination amount* under clause 4.10 or for any other amount it is required to pay by an express provision of this agreement;
 - (ii) a party's liability for *GST* or interest;
 - (iii) TasNetworks' liability to refund any amount overpaid by Network User;
 - (iv) a party's liability under any indemnity given by it under this agreement;
 - (v) liability for personal injury or death;
 - (vi) liability for third party property damage; and
 - (vii) liability for fraud or *wilful default* of the party or its associates.

14.5 Limitations on Liability

- (a) TasNetworks' liability under this clause 14 shall be reduced proportionally by the extent that the negligent act or omission of Network User or *representatives* of Network User contributes to any claims or damages.

- (b) Network User's liability under this clause 14 shall be reduced proportionally by the extent that the negligent act or omission of TasNetworks or *representatives* of TasNetworks contributes to any claims or damages.
- (c) Despite any other clause in this agreement, TasNetworks will not be liable for any loss, cost, damage or expense that Network User suffers or incurs as a direct or indirect result of any action which TasNetworks is permitted or authorised to take under clause 8.
- (d) Without in any way limiting clause 14.3(a), a party shall not be liable to the other party for any claims or damages incurred or suffered by the other party resulting from action taken by the first party as a result of a direction, order, requisition, or injunction of any **Authority** (other than as a consequence of a failure by the first party to comply with this agreement) or any action or failure to act by an **Authority** in the discharge of its functions.
- (e) Without in any way limiting clause 14.3(a), neither party shall be liable to the other party to the extent that the actions or omissions of that other party result in the first party not being able to comply with clause 6.1.

14.6 Limitation of TasNetworks' liability as a system operator

Despite any other provision of this agreement, Network User acknowledges and agrees that, to the maximum extent permitted by **law**, TasNetworks will not be liable to Network User for any claim for damages arising from any act or omission (including a negligent act or omission) of TasNetworks in relation to the performance, non-performance or purported performance by TasNetworks of any functions as **System Operator**.

14.7 Suspension or termination

- (a) Without in any way limiting clause 14.3(a), TasNetworks shall not be liable for any loss, cost, expense or damage suffered by Network User under this agreement that arises after or as a result of TasNetworks **suspending** the **services** in accordance with this agreement.
- (b) Neither party shall be liable for any loss, cost, expense or damage suffered by the other party under this agreement that arises after or as a result of a party validly terminating this agreement under clause 15 or clause 17.4 or if its obligations are suspended under clause 17 (Force majeure).
- (c) For the avoidance of doubt, this clause 14.7 shall not apply in respect of any liability which arises prior to the time at which TasNetworks **suspends** the **services** under clause 15.2(c), obligations are suspended under clause 17 or the agreement is terminated under clause 15 or clause 17.4.

14.8 Related Company

- (a) Network User will not appoint, engage or otherwise contract a *related company* without first requiring the *related company* to enter into a tripartite deed with TasNetworks and Network User, which deed will limit and exclude any liability that TasNetworks may have to the *related company* (including for any negligent act or omission, breach of this agreement or other act or omission in connection with this agreement) in the same manner as TasNetworks has limited and excluded its liability to Network User under this clause 14 and such that the *cap amount* will apply as an aggregate cap on TasNetworks' liability to both Network User and the *related company*.
- (b) The appointment, engagement or other contracting of a *related company* by Network User does not excuse or relieve Network User from any of its obligations to TasNetworks under this agreement and Network User is responsible and liable for all acts or omissions of its *related company* in connection with, relating to or arising from this agreement.
- (c) If, despite clause 14.8(a), Network User appoints, engages or otherwise contracts a *related company* without requiring the *related company* to enter into the tripartite deed, then Network User will indemnify and keep indemnified TasNetworks and its officers, employees and agents against any liability incurred by TasNetworks to the *related company* which liability would not have been incurred if the *related company* were party to such a tripartite deed and will indemnify and keep TasNetworks and its officers, employees and agents indemnified against all costs and expenses of defending any claim, action or proceeding brought by the *related company*.

14.9 Threshold and timing limitations

A party may not claim against the other party under this clause 14:

- (a) unless details of the claim have been given to the other party within 12 months of the occurrence giving rise to the claim; or
- (b) if the amount of the claim in respect of a single event or series of associated events is less than \$20,000.

15. DEFAULT PROVISIONS

15.1 Breach of the agreement

If a party:

- (a) fails to pay an invoice in accordance with clause 4 (which is not the subject of a bona fide dispute where the amount not in dispute is paid);
- (b) fails to maintain *security* in accordance with clause 18.1 or provide replacement *security* in accordance with clause 18.1;
- (c) fails to remedy a breach of a provision of this agreement, other than clause 4.4, which obliges it to pay money to the other party, within the reasonable time (being not less than 10 *business days*) specified in a notice from the other party requiring remedy of the breach;
- (d) fails to remedy a breach of a provision of this agreement (other than an obligation to pay money) which is capable of being remedied, within the reasonable time (being not less than 60 *days*) specified in a notice from the other party requiring remedy of the breach; or
- (e) breaches a provision of this agreement in a manner which is incapable of remedy and fails, within 20 *business days* (or such longer period approved by the other party) to put in place measures satisfactory to the other party (acting reasonably) to prevent recurrence of the breach and provide a written undertaking not to repeat the breach,

then a default event (“*default event*”) will occur for that party (the “*defaulting party*”) and the *defaulting party* will be in default of this agreement for the relevant *default event*.

15.2 Notice of Default

If a *default event* occurs for a party under clause 15.1, the other party is entitled to serve written notice on the *defaulting party* and, if after the expiration of 5 *business days* from the receipt by the *defaulting party* of the notice:

- (a) if the breach is a failure to pay an invoice or money or a failure to comply with clause 18.1, it has not been remedied; or
- (b) in the case of any other breach, the other party reasonably believes that the *defaulting party* is still in default and:
 - (i) if the breach is capable of being remedied, a remedy is not being diligently pursued; or
 - (ii) if the breach is incapable of being remedied, an undertaking requested under clause 15.1(e) is not provided within that 5 *business day* period and steps to prevent the circumstances giving rise to the breach being repeated are not being diligently pursued,

then the other party may do any one or more of the following:

- (c) where the other party is TasNetworks - by written notice to the *defaulting party*, *suspend* the *services*; or
- (d) by written notice to the *defaulting party*, terminate this agreement (either as an alternative to suspension or during any period of suspension).

15.3 Repeat of breach

If a party repeats a breach of this agreement for which it has given a written undertaking under clause 15.1(e), then the other party may:

- (a) where the other party is TasNetworks - *suspend* the *services*; or
- (b) terminate this agreement (either as an alternative to suspension or during any period of suspension).

15.4 Effect of insolvency

If an *insolvency event* occurs to a party:

- (a) that party must immediately notify the other party that the *insolvency event* has occurred; and
- (b) subject to any period where by *law* a party may not exercise a right to terminate, the other party may terminate this agreement at any time by giving written notice to the party suffering an *insolvency event*, regardless of whether notice is given under clause 15.4(a).

15.5 Network Operating Agreement

TasNetworks may terminate this agreement by notice to Network User with immediate effect if the *Network Operating Agreement* is terminated (unless that termination is as a result of or results in TasNetworks acquiring ownership of the *contestable IUSA components* on terms agreed to by TasNetworks).

15.6 Rights, liabilities and obligations upon termination

- (a) On termination by either party, or on expiry of this agreement, TasNetworks may de-energise and disconnect the *connection assets* from its *transmission network* and may decommission and remove any TasNetworks assets associated with the provision of the *services*.
- (b) If this agreement expires or is terminated, other than by Network User under clause 15.2, clause 15.3 or clause 15.4, then Network User must reimburse TasNetworks the costs TasNetworks incurs in removing the *TasNetworks assets* from any land upon which they have been installed and in remediating that land as required by *law* and any *access rights*

and such that it is in, so far as possible, the same condition as prior to the installation of the ***TasNetworks assets***.

- (c) Clause 15.6(b) survives the expiration or termination of this agreement.
- (d) Termination of this agreement for any reason does not affect:
 - (i) any rights of either party against the other party which:
 - (A) arose prior to the time at which such termination occurred; and
 - (B) otherwise relate to or may arise at any future time from any breach or non-observance of obligations under this agreement occurring prior to the termination of this agreement;
 - (ii) the rights and obligations of the parties under clauses which survive the termination of this agreement, regardless of the reasons for the termination; or
 - (iii) the right of TasNetworks to make a claim on any ***security*** held for the obligations of Network User for the amount owing by Network User to TasNetworks under, or as a consequence of the termination of, this agreement.

16. NETWORK USER'S EQUIPMENT

- (a) Network User acknowledges that for TasNetworks to satisfy its own business needs and its obligations under the ***Rules***, TasNetworks requires the owner or operator of any electrical infrastructure connected to its *transmission system* to enter into a *connection agreement* with TasNetworks.
- (b) If Network User proposes that:
 - (i) ownership of all or part of the ***facility*** be transferred to a third party; or
 - (ii) all or part of the ***facility*** be operated by a third party,
 then Network User must give notice of that proposal to TasNetworks.
- (c) Upon receipt of a notice under clause 16(b) and provided that the nominated third party:
 - (i) is, in TasNetworks' reasonable opinion, a responsible and solvent person with sufficient financial, business and technical capacity to successfully carry out obligations similar to those of Network User under this agreement; and
 - (ii) first obtains all ***approvals*** required under all ***laws*** to (as applicable) own or operate the ***facility*** and the nominated third party has otherwise complied with the requirements of the ***Rules***,
 TasNetworks will promptly:

- (iii) enter into negotiations in good faith with the third party to agree on the terms of a *connection agreement* with that third party; and
 - (iv) enter into negotiations in good faith with Network User to agree on any amendments necessary to this agreement to reflect the change of ownership or operation of the relevant equipment.
- (d) Subject to clause 16(c), Network User agrees that if ownership or operation of any of the *facility* passes to a third party without that third party first having entered into a *connection agreement* with TasNetworks, then TasNetworks may *suspend* performance of its obligations under this agreement until such time as a *connection agreement* is in place between TasNetworks and the third party.
- (e) This clause 16 does not apply if the relevant third party is to take a novation of this agreement at the same time as the third party is to acquire ownership of the *facility* (but without limiting the application of clause 21 to such circumstances).

17. FORCE MAJEURE

17.1 Suspension of obligations by either party

A party (“the *FM notifying party*”) may *suspend* the performance or observance of an obligation under this agreement (other than monetary obligations) if a *force majeure event* prevents it performing or observing that obligation.

17.2 Notice obligations

If a party invokes clause 17.1 it must:

- (a) immediately notify the other party;
- (b) as soon as practicable thereafter, but not later than 3 *business days* following the date on which the *FM notifying party* became aware of the *force majeure event*, give particulars to the other party of the *force majeure event* and of the obligations of the *FM notifying party* under this agreement which have been, will be or are likely to be affected by the *force majeure event*; and
- (c) keep the other party informed, both at reasonable intervals and upon request by the other party, as soon as practicable following the receipt of that request, of:
 - (i) the *FM notifying party's* estimate of the likely duration of the *force majeure event* and its likely implications on the *FM notifying party's* ability to perform its obligations under this agreement;

- (ii) the action taken and the action proposed to be taken to mitigate the effect of the *force majeure event*;
- (iii) the cessation of the *force majeure event* or the successful mitigation or minimisation of the effects of the *force majeure event*; and
- (iv) any other matter which the other party may reasonably request in connection with the occurrence of the *force majeure event*.

17.3 Mitigation

Subject to clause 17.4:

- (a) the *FM notifying party* must as soon as practicable after the occurrence of the *force majeure event*, use its reasonable endeavours to mitigate the effects of the *force majeure event*;
- (b) the *FM notifying party* must use its reasonable endeavours to overcome or remove the *force majeure event*; and
- (c) the other party must cooperate and give such assistance to the *FM notifying party* as may be reasonably requested,

provided that TasNetworks is not required to spend amounts in overcoming or removing a *force majeure event* which TasNetworks considers are uneconomic having regard to the return earned or reasonably expected to be earned by TasNetworks under this agreement.

17.4 Amendment or termination of agreement

- (a) If a *force majeure event* continues to prevent a party from performing or observing its substantial obligations under this agreement for a period of twelve months or more from the date of its occurrence, either party may by written notice either:
 - (i) request that the other party negotiate in good faith amendments to this agreement (including any obligations to make any payments under this agreement) which would remove the aspects of this agreement affected by the *force majeure event* from the operation of this agreement; or
 - (ii) notify the other party of its intention to terminate this agreement.
- (b) If the *force majeure event* continues substantially to impede the performance of this agreement after 20 *business days* from receipt of the written notice under clause 17.4(a)(ii), the party who gave the written notice may terminate this agreement at any time by issuing further written notice.
- (c) If:

- (i) the parties are unable to negotiate amendments under clause 17.4(a)(i) within 20 **business days** of a request to negotiate by a party, or such longer time as the parties may agree in writing; and
 - (ii) at the expiry of the time under clause 17.4(c)(i) the **force majeure event** continues substantially to impede the performance of this agreement,
- then either party may terminate this agreement at any time by issuing written notice to the other party.

18. SECURITY

18.1 Requirement for security

- (a) Network User must on and from the **commencement date** at all times provide and maintain **security** in the amount and in the form stated in Schedule 10.
- (b) All **security** must be in the form of either:
 - (i) a bank guarantee which must at all times be:
 - (A) given by an **Australian bank** (lawfully carrying on business under the *Banking Act 1959* (Cth)) that meets the reasonable requirements of TasNetworks;
 - (B) an irrevocable and unconditional commitment by the **Australian bank** to pay, without enquiry or reference to Network User, the amount demanded by TasNetworks, without set-off or counterclaim, up to the amount of the **security**;
 - (C) issued from a branch of the issuing **Australian bank** in Hobart and provide for presentation and payment at that branch; and
 - (D) otherwise on terms acceptable to TasNetworks;
 - (ii) a guarantee (on terms acceptable to TasNetworks) by a *related body corporate* or other entity that TasNetworks is satisfied has an **approved credit rating**, or such other form of security as TasNetworks agrees to accept.
- (c) Where any **security** provided in accordance with clause 18.1 has an expiry date which is earlier than the **end date** then:
 - (i) that expiry date must be midnight on the 30th *day* of June in any relevant year;
 - (ii) Network User must, not later than 60 **business days** before that expiry date, provide TasNetworks with the proposed form of Network User's replacement **security**;

- (iii) TasNetworks must, not more than 20 *business days* after receipt of the proposed form of Network User's replacement *security*, advise Network User whether or not the proposed form of *security* is acceptable; and
 - (iv) Network User must provide TasNetworks with replacement *security* in a form acceptable to TasNetworks not less than 20 *business days* before that expiry date.
- (d) If Network User fails to provide replacement security in accordance with clause 18(c) or clause 18.1(f) then TasNetworks may, without notice or reference to Network User, draw down or call upon the *security*.
- (e) Network User must immediately notify TasNetworks if the *Australian bank* that issued a bank guarantee or an entity that provided a guarantee fails to hold and maintain an *approved credit rating*.
- (f) TasNetworks may, by notice, request Network User to provide a replacement *security*, that complies with clause 18.1(b), if the *Australian bank* issuing the bank guarantee or the entity who provides the guarantee fails to hold and maintain an *approved credit rating*.
- (g) Network User must comply with a notice under clause 18.1(f) within 10 *business days* from the date of TasNetworks' notice.
- (h) If TasNetworks draws down or calls upon the *security* in accordance with clause 18.1(d), and Network User subsequently provides TasNetworks with *security* which complies with this clause 18, then TasNetworks must within 10 *business days* after written request by Network User pay to Network User (or as it directs) the amount which TasNetworks has drawn down or called upon (less any part of such amount to which TasNetworks has had recourse to satisfy money owing by Network User to TasNetworks).

18.2 Recourse to security

TasNetworks may call upon the *security* if TasNetworks in good faith considers it is owed an amount by Network User which amount has not been paid within the time required by this agreement. Unless this agreement provides otherwise, an amount due to TasNetworks will be taken to be due 10 *business days* after TasNetworks serves an invoice or a notice on Network User claiming payment of the amount.

18.3 No Injunction

Network User must not take any steps to injunct or otherwise restrain;

- (a) the issuer of any *security* from paying TasNetworks under that *security*;

- (b) TasNetworks from taking any steps for the purposes of making a demand under any *security* or receiving payment under any *security*; or
- (c) TasNetworks using the money received under any *security*.

18.4 Replacement of Security

- (a) If TasNetworks calls upon *security* then Network User must within 10 *business days* provide to TasNetworks replacement *security* complying with the requirements of this agreement.
- (b) If TasNetworks calls upon *security* and the amount called upon exceeds the amount then actually due to TasNetworks, then (unless TasNetworks acted in bad faith) TasNetworks' only obligation will be to return the relevant amount to Network User upon Network User providing to TasNetworks a replacement *security* which complies with the requirements of this agreement.

19. DISPUTE RESOLUTION

19.1 Disputes

The parties agree that:

- (a) any *disputes* shall be settled in accordance with this clause 19;
- (b) subject to clause 19.1(c), all *services* and other obligations under this agreement shall continue to be performed despite any *dispute*; and
- (c) a *dispute* does not prevent a party exercising any rights under this agreement or relieve a party of any of its obligations under this agreement.

19.2 Rules disputes

If a *dispute* is a dispute to which the *Rules* apply that *dispute* will be dealt with in accordance with the dispute resolution regime set out in or implemented in compliance with the *Rules*.

19.3 Non-Rules disputes

- (a) If a *dispute* arises that is not a *dispute* to which the *Rules* apply, the parties shall comply with the provisions of this clause 19.3.
- (b) Either party may give to the other party a written notice ("*dispute notice*") identifying the matters in *dispute*.
- (c) The parties must meet within 10 *business days* after the *dispute notice* has been given and attempt to resolve the *dispute*. Each party must be represented at the meeting by a person who has authority to agree to a resolution of the *dispute*.

- (d) If the *dispute* has not been resolved within 20 *business days* after the *dispute notice* has been given, the parties must participate in a mediation of the *dispute* in accordance with the provisions of the then current Mediation Rules as published by Resolution Institute (or any replacement or successor body).
- (e) If the *dispute* has not been resolved within 20 *business days* after the commencement of the mediation, the parties may agree to refer the *dispute* to determination by an independent expert in accordance with clause 19.3(g) or to arbitration in accordance with clause 19.3(h) or either party may give to the other a notice referring the *dispute* to litigation. However, unless the parties agree otherwise, any *dispute* under clause 4.5 or clause 4.6 must be referred to an independent expert in accordance with clause 19.3(g).
- (f) Subject to clause 19.3(j), a party must not issue court proceedings in connection with a *dispute* unless a notice referring the *dispute* has been given in accordance with clause 19.3(e).
- (g) Where the parties agree to refer the dispute to an independent expert the expert determination will be conducted in accordance with the then current Expert Determination Rules as published by Resolution Institute (or any replacement or successor body). The parties agree that the determination of an expert will be binding on the parties, unless a party gives written notice of an appeal within 5 *business days*.
- (h) Where the parties agree to refer the *dispute* to arbitration the arbitration will be conducted in accordance with the then current Arbitration Rules as published by Resolution Institute (or any replacement or successor body).
- (i) Unless otherwise agreed by the parties in writing, the costs of a mediator, independent expert or arbitrator will be borne equally by the parties.
- (j) Nothing in this clause 19.3 prevents a party seeking injunctive or declaratory relief from a court.

20. CONFIDENTIALITY

20.1 Non-disclosure

Subject to clause 20.2, the information contained in, relating to or provided in accordance with this agreement and all negotiations leading up to its execution are confidential to the parties and must not be disclosed to any other person.

20.2 Exceptions

Clause 20.1 does not prevent disclosure of information by a party:

- (a) which is in the public domain or comes into the public domain otherwise than as a result of a breach by the party of its obligations under clause 20.1 provided that participants in the Tasmanian electricity industry do not of themselves constitute the public domain;
- (b) by TasNetworks to the Auditor-General of Tasmania or to TasNetworks' shareholding ministers;
- (c) where the party, acting reasonably, discloses the information in the course of legal proceedings;
- (d) to the lawyers, consultants, contractors, professional advisers, financiers or insurers to or of the party who have entered into a confidentiality undertaking with similar effect to this clause 20 or who are otherwise (by professional duty) bound by an obligation of confidentiality;
- (e) with the consent of the other party;
- (f) to the extent required by *law* or by a lawful requirement of any *Authority* having jurisdiction over a party or its *related body corporate*;
- (g) as required to discharge its obligations under the *Rules*;
- (h) to the extent required by a lawful requirement of any stock exchange having jurisdiction over a party or its *related body corporate*;
- (i) to its *related body corporate*, who has entered into a confidentiality undertaking with similar effect to this clause 20;
- (j) in the context of the sale of shares in or the sale of, or lease of, the assets of a party, to any consultant, bank, financier, insurer or professional adviser to a prospective purchaser or lessee of the relevant shares or assets as the case may be provided the relevant person to receive the confidential information has entered into a confidentiality undertaking with similar effect to this clause 20; or
- (k) to *AEMO* or the *System Operator* as required by this agreement or the *Rules*.

20.3 Enforcement of Undertaking

Where a party has disclosed confidential information to a person who has entered into a confidentiality undertaking pursuant to clause 20.2, that party must take all necessary steps to ensure the relevant person complies with the confidentiality undertaking.

20.4 Survive expiration

The obligations contained in clauses 20.1, 20.2 and 20.3 survive the expiration or termination of this agreement.

21. ASSIGNMENT AND OTHER DEALINGS

21.1 TasNetworks

Subject to the *Rules* TasNetworks may at any time transfer, assign, delegate or otherwise deal with some or all of its rights and obligations under this agreement and the powers and benefits of the relevant parts of this agreement will be exercised and enjoyed by any delegate, transferee or assignee and any subsequent successors in title in accordance with the terms of the delegation, transfer or assignment. Network User will on request execute any assignment or novation documentation requested by TasNetworks including a surrender of this agreement and an agreement of identical form to this agreement direct with any transferee, assignee or delegate.

21.2 Legislative Assignments

Nothing in this clause 21 prevents or restricts any transfer or assignment of TasNetworks' rights and obligations under this agreement pursuant to any Act of Parliament or instrument made pursuant to such an Act.

21.3 Network User

- (a) Network User may with the consent in writing of TasNetworks transfer or assign this agreement and TasNetworks will not unreasonably withhold its consent in circumstances where:
- (i) Network User requests the consent of TasNetworks to the transfer or assignment to the proposed assignee in writing;
 - (ii) Network User has provided to TasNetworks any information reasonably required by TasNetworks regarding the proposed assignee or transferee; and
 - (iii) the proposed assignee or transferee is a responsible and solvent person with sufficient financial, business and technical capacity to successfully carry out the obligations of Network User under this agreement.
- (b) If TasNetworks consents to such transfer or assignment it may (in addition to any other reasonable conditions) require such transfer or assignment to be conditional upon satisfaction of each of the following:

- (i) the proposed assignee or transferee first obtaining all licences and permits required of Network User under all *laws* and the *Rules* and the proposed assignee or transferee having otherwise complied with the requirements of the *Rules*;
- (ii) Network User not being not in default under this agreement and before settlement of any transfer or assignment paying to TasNetworks moneys outstanding to TasNetworks under this agreement; and
- (iii) the proposed assignee or transferee executing a deed of assignment or novation of this agreement in a form acceptable to TasNetworks acting reasonably.

21.4 Change of Control

- (a) Network User must ensure no *Change of Control* of Network User occurs without the prior written consent of TasNetworks which consent will not be unreasonably withheld or delayed.
- (b) Network User must reimburse TasNetworks any reasonable costs it incurs in determining whether to consent to a *Change of Control*.

21.5 Assignment as Security

- (a) Network User must not grant any mortgage, charge, encumbrance or *security interest* over this agreement without the prior written consent of TasNetworks (which will not be unreasonably withheld).
- (b) If requested by Network User, TasNetworks will (at the cost of Network User) negotiate in good faith the terms of a tripartite agreement between Network User, TasNetworks and any proposed financiers to Network User, provided those financiers are solvent and reputable. However nothing in this clause 21.5(b) requires TasNetworks to agree to a provision which it (acting reasonably) considers increases its risk (as compared to the level of risk under this agreement) or which may adversely affect *power system security*.

21.6 Costs of assignment or novation

The party requesting an assignment or novation of this agreement must pay the other party's reasonable costs arising out of the assignment or novation (including negotiating any documentation to give effect to the assignment or novation and considering whether to give its consent to the assignment or novation).

22. NOTICES

22.1 Form

A notice or other communication to a party under this agreement, excepting an operational communication under clause 12.1, must be in writing and served on the party in accordance with this clause 22.

22.2 Service

- (a) Notices may be served by being:
 - (i) delivered by hand at the party's then current address for service;
 - (ii) sent to the party's then current address for service by pre-paid priority mail; or
 - (iii) sent to the party's then current address for service by electronic mail.
- (b) Notice given by post is taken to be received on the third **business day** after posting.
- (c) Notice given by electronic mail is taken to be received at the time determined in accordance with the *Electronic Transactions Act 2000* (Tasmania).
- (d) A notice received by a party after 5:00 pm or on a *day* which is not a **business day** in the place where it is received, will be taken to have been received on the next **business day** in the place where it is received.

22.3 Address

- (a) The street address, postal address and nominated representative of each party at the **execution date** are specified in Schedule 9.
- (b) A party may at any time by notice in writing to the other party designate a different person or address and Schedule 9 will be updated to record the revised details provided the address is within Australia.

23. MISCELLANEOUS

23.1 Waiver

No failure to exercise and no delay in exercising any right, power or remedy under this agreement will operate as a waiver. No single or partial exercise of any right, power or remedy will preclude any other or future exercise of that or any other right, power or remedy.

23.2 Entire agreement

Without limiting the application of the *Asset Development Agreement*, this agreement constitutes the entire understanding of the parties on the subject matter and supersedes any and all other representations or statements by either party or its *representatives*, whether oral or in writing, made prior to the date of this agreement.

23.3 Amendment of agreement

Subject to clause 11.2 (Review of agreement), clause 11.3 (Variation of *SDS*) and clause 22.3(b) (Notices) any amendments or alterations to this agreement must be by agreement in writing executed by both parties.

23.4 Severability

Any provision of this agreement which is invalid or unenforceable in any jurisdiction is, if possible, to be read down for the purposes of that jurisdiction so as to be valid and enforceable, and is otherwise severed to the extent of the invalidity or unenforceability, without affecting the remaining provisions of this agreement or affecting the validity or enforceability of that provision in any other jurisdiction.

23.5 No precedent

Nothing in this agreement will operate or be taken by either party to be a precedent as to the form or substance of any new (or supplementary) terms and conditions or other agreement which may be entered into between the parties.

23.6 No third party rights

Except as specifically provided in this agreement, the parties do not intend to create rights in or grant remedies to any third party as a beneficiary of this agreement and all covenants, stipulations, promises and agreements contained in this agreement are for the sole and exclusive benefit of the parties to this agreement.

23.7 Governing law

This agreement will be governed by the laws of Tasmania.

23.8 Submission to jurisdiction

Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Tasmania, the Federal Court of Australia in Tasmania and courts of appeal from them for determining any *dispute* concerning this agreement.

23.9 Service of process

Any document in any action may be served by delivery to the party being served at its address for service of notices as specified in accordance with clause 22 (Notices).

23.10 Acknowledgment of System Operator function

Nothing in this agreement prevents TasNetworks exercising its rights and discharging its obligations as *System Operator* under the *Rules* or otherwise at *law* and no action taken to exercise such rights or discharge such obligations will constitute a breach of this agreement.

23.11 Counterparts

This agreement may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

EXECUTED AS AN AGREEMENT

SIGNED FOR AND ON BEHALF OF
TASMANIAN NETWORKS PTY LTD

by its duly authorised representative
in the presence of:

Witness

Authorised Representative

Name (print)

Name (print)

Position of witness (print)

Position (print)

SIGNED by **NETWORK USER**)
in accordance with section 127)
of the Corporations Act 2001)

Signature of Director

Signature of Director/Secretary

Name of Director (print)

Name of Director/Secretary (print)

SCHEDULE 1 COMMENCEMENT AND END DATE

Clause 1.1

The *commencement date* is the date each of the following have occurred:

- (a) this agreement has been executed;
- (b) Network User delivers to TasNetworks the *security* required under clause 18;
- (c) TasNetworks has approved Network User's commissioning program for the *generating units*;
- (d) *AEMO* has notified TasNetworks that registration of Network User's *generating unit* has been completed;
- (e) the *SDS* has been executed;
- (f) all easements required to be granted to TasNetworks (as specified in the *Asset Development Agreement* and whether being granted by Network User or a third party) have been so granted and registered on the titles to the relevant land;
- (g) all other *access rights* required to be granted to TasNetworks (as specified in the *Asset Development Agreement* and whether being granted by Network User or a third party) have been so granted and (if capable of registration) registered on the titles to the relevant land;
- (h) practical completion (as defined in the *Asset Development Agreement*) is achieved under the *Asset Development Agreement*;
- (i) If Network User is using a third party to construct the *contestable IUSA components* and TasNetworks will own the *contestable IUSA components*, ownership of the *contestable IUSA components* has been transferred to TasNetworks in accordance with clause 2.4;
- (j) If a third party is constructing and owning the *contestable IUSA components*, the commencement date (as defined in the *Network Operating Agreement*) of the *NOA* has occurred; and
- (k) [insert any other necessary prerequisites].

The *end date* is: [insert]

The *connection site/s* are:

[insert]

SCHEDULE 2 ENTRY SERVICES

Clause 3.1

Entry services are:

- (a) the provision of capability at the **connection points** to enable Network User to:
 - (i) deliver electricity to TasNetworks' *transmission system* at the **connection points**; and
 - (ii) take delivery from TasNetworks' *transmission system* at the **connection points** up to the **agreed maximum demand** stated in the relevant **SDS** for the **connection point** for the purposes of starting up the **generating unit connected** to the **connection point** from time to time;
- (b) the management, maintenance and operation of the **connection assets** associated with each **connection point** so as to provide the capability referred to in paragraph (a) above subject to this agreement, using *good electricity industry practice* and requirements of all **laws** including by:
 - (i) maintaining those auto-reclose *facilities* which form part of the **connection assets** for each **connection point**;
 - (ii) the provision of supervisory control and data acquisition capabilities for each **connection point** by means of the **connection assets**; and
 - (iii) attendance and advice responses in relation an **emergency**;
 - (iv) fault clearance services in relation to each **connection point** (for example by the provision and maintenance of the *protection system, control systems* and auto-reclose systems (where installed) at each **connection point**, and testing of TasNetworks' *protection system* for that **connection point** at intervals of not more than 5 years, or such other period as is specified in the **SDS**);
- (c) the management, maintenance and operation of the **non-contestable IUSA components** in accordance with the **Rules** and **NOA**;

- (d) the provision of backup *protection facilities* for each *connection point*;
- (e) the provision of a *communications link* from TasNetworks' interface with *AEMO* to the communication interface with Network User specified in the *Generator Performance Standards*; and
- (f) any other services which are specified in the relevant *SDS* from time to time.

Entry services includes work which arises as a result of fair wear and tear but subject to the terms of the *NOA*, excludes replacement of any assets that fail.

SCHEDULE 3 DEED OF COLLATERAL WARRANTY

[to be inserted]

SCHEDULE 4 CHARGES

1 CHARGES FOR ENTRY SERVICES

- (a) The *charge* for *entry services* as at the *execution date* is the annual charge for [insert year] in Table 1 below.
- (b) The *charge* for *entry services* will be escalated on each 1 July after the *execution date* by multiplying the then current charge by *CPI* for the *financial year* commencing on that 1 July.

2 CHARGES FOR TRANSMISSION NETWORK SERVICES

As at the *execution date* TasNetworks does not provide Network User with any *Transmission Network Services* and therefore no *charges* are payable for *Transmission Network Services* as at the *execution date*.

3 CHARGES FOR OTHER SERVICES

As at the *execution date* TasNetworks does not provide Network User with any *other services* and therefore no *charges* are payable for *other services* as at the *execution date*.

4 TERMINATION AMOUNT

The *termination amounts* as at the *execution date* are set out in the Table 1 below. The quantum of the *termination amount* depends upon the *financial year* in which termination of this agreement occurs. The amounts in Table 1 below will be escalated on each 1 July after the *execution date* by multiplying the amounts by *CPI* for the *financial year* commencing on that 1 July.

Table 1

Year	Annual Charge (\$)	Termination Amount (\$)	Year	Annual Charge (\$)	Termination Amount (\$)

SCHEDULE 5 TECHNICAL REQUIREMENTS AND STANDARDS

[Generic schedule to be reviewed by Network Performance team with reference to specific connection]

Clause 2.32.3(d) and 5.1

1 PROTECTION, CONTROLS AND ALARMS

Each of the following technical requirements and standards is to be read subject to any exclusions, changes or further information or specifications set out in the relevant **SDS**.

TasNetworks and Network User will provide protection for the **connection site** as defined in the **SDS**. There will be 2 types of protection systems, namely:

- (a) automatic sensing of system abnormalities; and
- (b) any specific schemes which may be implemented to ensure *system security* and to protect specific assets from damage caused by system conditions.

TasNetworks and Network User will also, as defined in the **SDS** for the **connection site**:

- (c) provide the settings for all protection systems; and
- (d) receive and act on inter-trip signals from **Network User**; and
- (e) receive and act upon runback signals from TasNetworks.

Testing intervals for each type of protection will be as specified in the relevant party's **Asset Management Plan**.

2 VOLTAGE STANDARD

The relevant **SDS** sets out the nominal voltage and target voltage range for the **connection site**.

2.1 Power frequency voltage

[Relates to and covers the issues dealt with in clauses S5.1a.4 of the Rules]

TasNetworks' *transmission system* is designed to operate in the range of $\pm 10\%$ variations in the nominal *voltage* which limits *voltage* rise to $+10\%$ of nominal irrespective of the *voltage* at the *connection point* prior to the occurrence of a *credible contingency event*.

3 QUALITY OF SUPPLY

Quality of supply associated with the *connection site* shall be in accordance with the AS/NZ 61000 series.

3.1 Generator Reactive Power Capability

The reactive power capability at all levels of generation output is defined by Clause S5.2.5.1 in the *Generator Performance Standards*.

3.2 Voltage fluctuations

[Relates to and covers the issues dealt with in clauses S5.1a.5 and S5.1.5 of Rules]

- (a) Refer to Clause S5.2.5.2 in the *Generator Performance Standards* for the short-term and long-term Voltage Fluctuation Contribution levels for Network User's Generating Units which have been developed by TasNetworks in line with TR IEC 61000.3.7:2012.
- (b) Network User must ensure that its reactive power capability is correctly controlled to ensure that the voltage at the *connection point* is regulated such that Clause S5.2.5.2 in the *Generator Performance Standards* is met. If the Voltage Changes exceed the per hour Emission Limits prescribed in Clause S5.2.5.2 then the output of the *generating unit* must be constrained to a level that ensures that the per hour Voltage Changes remain within the limits until Network User has taken remedial action to *TasNetworks*' satisfaction, including provision of additional reactive support to *TasNetworks*' design.

3.3 Voltage waveform distortion

[Relates to and covers the issues dealt with in clauses S5.1a.6 and S5.1.6 of the Rules]

Refer to Clause S5.2.5.2 in the *Generator Performance Standards* for the Harmonic Voltage Emission Limits allocated to Network User's Generating Units developed by TasNetworks in line with TR IEC 61000.3.6:2012. If the voltage harmonic emissions exceed the limits prescribed in Clause S5.2.5.2 then the output of the *generating unit* must be constrained to a level that ensures that the voltage harmonics remain within the limits until Network User has taken remedial action to *TasNetworks*' satisfaction, including provision of additional harmonic filters to *TasNetworks*' design.

3.4 Additional technical requirements

- (a) TasNetworks will ensure the fault current contribution from the *transmission system* to the three phase and single phase fault levels on the *connection site* busbars is not more than specified in Clause S5.2.8 of the ***Generator Performance Standards***
- (b) Each party will ensure that the design of its *electricity infrastructure* allows for a maximum fault current contribution from Network User to the three phase and single phase fault levels on the *connection site* busbars as specified in Clause S5.2.8 of the ***Generator Performance Standards***.

SCHEDULE 6 OTHER SERVICES

Clause 3.3

[insert if any otherwise “nil at commencement”]

SCHEDULE 7 RECORDS, DATA AND INFORMATION

[Check requirements for this connection]

The *records* to be kept by TasNetworks, in relation to TasNetworks' *electricity infrastructure* are:

Record	Record Form	Retention Period
Operational Diagrams		
- Power Circuit One Line Diagram	Electronic	7 years
- Metering and Protection One Line Diagram	Electronic	7 years
<i>OH&S procedures</i>	Electronic	7 years
Operational Procedures	Electronic	7 years
Plant Setting Data		
- Protection	Electronic / Hard Copy	7 years
- <i>Incident</i> data	Electronic	7 years

The *records* to be kept by Network User, in relation to Network User's *electricity infrastructure* at the *connection sites* are:

Record	Record Form	Retention Period
Operational Diagrams		
- Power Circuit One Line Diagram	Electronic	7 years
- Metering and Protection One Line Diagram	Electronic	7 years
<i>OH&S procedures</i>	Electronic	7 years
Operational Procedures	Electronic	7 years
Plant Setting Data		

Record	Record Form	Retention Period
- Generator setting data	Electronic / Hard Copy	7 years
- Protection	Electronic / Hard Copy	7 years
- <i>Incident</i> data	Electronic	7 years
Generator Models	Electronic	7 years

SCHEDULE 8 LIABILITY LIMIT AMOUNTS

cap amount – clauses 1.1 and 14.4

[insert] as at 1 July [insert commencement year]

As at each subsequent 1 July then the current cap amount will be escalated by multiplying it by the *CPI* for the *financial year* commencing on that 1 July.

SCHEDULE 9 ADDRESS DETAILS

Clause 22

TasNetworks:	Tasmanian Networks Pty Ltd
Street Address:	1-7 Maria Street, Lenah Valley in Tasmania
Postal Address:	PO Box 606, Moonah, TAS, 7009
Nominated Representatives:	General Manager, Customer Engagement & Network Operations
Network User:	[insert]
Street Address:	[insert]
Postal Address:	[insert]
Nominated Representatives:	[insert]

or as most recently notified by the party under clause 22.3.

SCHEDULE 10 SECURITY

Clause 18

Item 1 – Security for payments

[To be confirmed]