

**INSTRUMENT OF VARIATION OF CONDITIONS OF DISTRIBUTOR'S LICENCE  
ELECTRICITY SUPPLY ACT 1995**

**1. Variation of conditions**

I, Don Harwin, Minister for Energy and Utilities vary the Licence held by the Licence Holder. This Variation is made under clause 7 of Schedule 2 to the *Electricity Supply Act 1995*.

**2. Commencement**

This Instrument of Variation commences on the day this Instrument is signed.

**3. Definition**

In this Variation Instrument:

**Licence** means the distributor's licence granted under section 14 of the *Electricity Supply Act 1995* to the Licence Holder to operate a distribution system that is a transacted distribution system under the *Electricity Network Assets (Authorised Transactions) Act 2015* effective on 1 December 2016.

**Licence Holder** means:

**Ausgrid Operator Partnership**, a partnership carried on under that name by:


- a. **Blue Op Partner Pty Ltd** (ACN 615 217 500) as trustee for the **Blue Op Partner Trust**;
- b. **ERIC Alpha Operator Corporation 1 Pty Ltd** (ACN 612 975 096) as trustee for **ERIC Alpha Operator Trust 1**;
- c. **ERIC Alpha Operator Corporation 2 Pty Ltd** (ACN 612 975 121) as trustee for **ERIC Alpha Operator Trust 2**;
- d. **ERIC Alpha Operator Corporation 3 Pty Ltd** (ACN 612 975 185) as trustee for **ERIC Alpha Operator Trust 3**; and
- e. **ERIC Alpha Operator Corporation 4 Pty Ltd** (ACN 612 975 210) as trustee for **ERIC Alpha Operator Trust 4**.

**Previous Licence Conditions** means the conditions of the Licence as in force immediately before the commencement of this Instrument of Variation.

**4. Variation of licence**

1. The conditions of the Licence are varied as set out in Schedule 1.
2. Clause 4(1) does not:
  - a. revive anything not in force or existing at the time this Instrument of Variation takes effect;
  - b. affect the previous operation of the Previous Licence Conditions or anything done, or begun under, or in accordance with, the Previous Licence Conditions; or
  - c. affect a right, privilege or liability acquired, accrued or incurred under the Previous Licence Conditions.

Signed:

  
The Hon Don Harwin MLC  
Minister for Energy and Utilities

Date:

5.2.19

## Schedule 1 Variations of conditions of distributor's licence

### [1] Clause 5

In condition 5.2(f), omit the word 'network'.

### [2] New Condition 5A

Insert before Condition 6:

#### 5A Reliability provided to individual customers

- 5A.1 This condition 5A does not apply to a *connection point* supplied by a *Licence Holder's feeder* to which condition 5 applies.
- 5A.2 Where the *minutes interrupted* exceed the relevant *individual customer standards* in any 12 month period ending at the end of March, June, September or December, when *excluded interruptions* are disregarded, the *Licence Holder* must comply with condition 5A.4.
- 5A.3 Where the *number of interruptions* exceed the relevant *individual customer standards* in any 12 month period ending at the end of March, June, September or December, when *excluded interruptions* are disregarded, the *Licence Holder* must comply with condition 5A.4.
- 5A.4 A *Licence Holder* must:
- (a) investigate the causes for the *minutes interrupted* or *number of interruptions* (as the case may be) exceeding the *individual customer standards*;
  - (b) by the end of the *quarter* following the *quarter* in which the *minutes interrupted* or *number of interruptions* (as the case may be) first exceeded the *individual customer standards*, complete an investigation report that must:
    - (i) identify the causes for exceeding the *individual customer standards*;
    - (ii) as appropriate identify any action required to improve performance against the *individual customer standards*; and
    - (iii) consider the terms of the connection contract (including network security arrangements) agreed with the *customer* of the affected *connection point*, including when the *customer* was connected to the *distribution system*;
  - (c) complete any operational actions identified in the investigation report to improve performance against the *individual customer standards* by the end of the third *quarter* following the *quarter* in which the *minutes interrupted* or *number of interruptions* (as the case may be) first exceeded the *individual customer standards*;
  - (d) except as permitted by condition 5A.4(e), where the investigation report identifies actions, other than operational actions, required to improve performance against the *individual customer standards*, develop a project plan, including implementation timetable, and commence its implementation by the end of the fourth *quarter* following the *quarter* in which the *minutes interrupted* or *number of interruptions* (as the case may be) exceeded the *individual customer standards*;
  - (e) consider non-network strategies which provide reliable outcomes for *customers*. Where found by the investigation report to be equal or more cost-effective than the lowest cost feasible network option such strategies shall be adopted rather than network augmentation options;
  - (f) ensure that the implementation timetable for the project plan or alternative non network solutions is as short as is reasonably practicable; and
  - (g) where all reasonable steps to improve supply reliability have been taken, the costs of further actions to rectify the non-compliance must be subject to a cost benefit analysis. Where such analysis does not provide a positive benefit, no further action

will be taken to improve the *minutes interrupted* or *number of interruptions* (as the case may be) and the ongoing non-conformance with the *individual customer standards* will be reported to the *Minister* by the *Licence Holder*.

- 5A.5 The investigation report is to include a documented rectification plan where action is found to be justified in order to improve the *minutes interrupted* or *number of interruptions* (as the case may be) against the *individual customer standards*. The action that is required may involve work to other network elements, or may involve only repair or maintenance work where capital works are not warranted and take into account any one-off events and previous performance trends.

**[2] New condition 7A.3**

Insert immediately before the heading titled 'Customer service standards report':

**Individual customer standards report**

7.3A A *Licence Holder* must submit, within one month of the end of each *quarter*, a *quarterly individual customer standards* report to the *Tribunal* on instances where clauses 5A.2 and/or 5A.3 applied, together with the following details:

- (a) the date at which the *minutes interrupted* or *number of interruptions* (as the case may be) exceeded the *individual customer standard*, together with the actual *minutes interrupted* or *number of interruptions* for the affected *connection point* for the 12 month period;
- (b) details of the remedial action that the *Licence Holder* intends taking, or has taken, to improve compliance with the *individual customer standards*;
- (c) if applicable, the date of completion, or the date of planned completion, of the remedial action plan; and
- (d) if applicable, details of the investigation and action proposed or undertaken leading to the decision to advise the *Tribunal* that it is not economically justifiable to bring the *minutes interrupted* or *number of interruptions* (as the case may be) for the affected *connection point* into compliance with the *individual customer standards*; and
- (e) any other matter notified by the *Tribunal* in writing.

**[3] Amend 7.6**

Omit condition 7.6(c) and replace with:

- (c) *individual customer standards*; and
- (d) *customer service standards*.

**[4] New condition 19A**

Insert before condition 20:

**19A Compliance with Public Lighting Code**

- 19A.1 From 1 July 2019, the *Licence Holder* must ensure that it and all other network operators of its *distribution system* comply with the NSW Public Lighting Code published by the Department of Planning and Environment, as amended from time to time.
- 19A.2 The *Licence Holder* must comply at its own expense and within a reasonable timeframe nominated by the *Tribunal*, with any request from the *Tribunal* to have the *Licence Holder's* compliance with condition 19A.1 audited by an *Approved Auditor*.

**[5] New definitions**

Insert the following definitions in alphabetical order in the 'Definitions':

Connection point	means in relation to the premises of a <i>customer</i> or a class of <i>customers</i> , means the point of connection to an electrical installation supplying electricity to the premises as determined in accordance with the Service and Installation Rules of New South Wales, as in force from time to time, published by the Department of Planning and Environment.
Individual customer standards	means the individual customer standards in Schedule 8 to these conditions.
Minutes interrupted	means the total number of minutes from any <i>interruption</i> to a customer over the relevant 12 month period.
Number of interruptions	means the total number of times there is an <i>interruption</i> to a <i>customer</i> over the relevant 12 month period.

**[6] Definition of connection point**

Omit the words 'connection point' wherever occurring and substitute '*connection point*'.

**[7] Substituted Definition**

In the Definitions, substitute the following definition:

Approved Auditor	means an auditor who has been approved by the <i>Tribunal</i> in accordance with any <i>Audit Guidelines</i> issued by the <i>Tribunal</i> .
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**[8] Schedule 4 – Excluded Interruptions**

In paragraph (a) of Schedule 4, omit the words 'one minute' and substitute 'three minutes'.

**[9] Schedule 6 – Major Event Day**

In Schedule 6, omit 'Ausgrid' and substitute 'the *Licence Holder*'.

**[10] Schedule 6 – Major Event Day**

In the first paragraph of the section titled 'Explanation and Purpose' of Schedule 6, omit the words '*network overall reliability standards and individual feeder standards*' and substitute '*network overall reliability standards, individual feeder standards and individual customer standards.*'

**[11] Schedule 6 – Major Event Day**

In the section titled 'Determining a major event day', omit the words '*electricity distributor*' and substitute '*Licence Holder*'.

**[12] New Schedule 8**

Insert new Schedule 8 after Schedule 7:

**SCHEDULE 8 - INDIVIDUAL CUSTOMER STANDARDS**

The *minutes interrupted* and *number of interruptions* will be measured at the *connection point* for each customer.

Type of area in which the affected connection point is located	Minutes interrupted	Number of interruptions
<i>Metropolitan</i>	350	4
<i>Non-Metropolitan</i>	1000	8

