



UTILITIES COMMISSION
OF THE NORTHERN TERRITORY

ISOLATED SYSTEM LICENCE



ISSUED TO
GROOTE EYLANDT MINING COMPANY PTY LTD
(ACN 004 618 491)

ISOLATED SYSTEM LICENCE

This Licence is issued pursuant to Part 3 of the *Electricity Reform Act 2000*.

Licensee

Groote Eylandt Mining Company Pty Ltd
ACN 004 618 491

Date

This licence was issued by the Utilities Commission on 17 April 2003 and last varied on 12 September 2024.

Date: 12 September 2024

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

Kimberlee McKay
Signature of authorised person

DIRECTOR Utilities Commission
Office held

KIMBERLEE MCKAY
Name of authorised person (block letters)



Variation history

Date	Reason for variation
19 June 2014	Clause 3(c) that set the date of expiration for the licence was removed to allow the licence to carry on into perpetuity, as provided for under sections 18 and 25 of the <i>Electricity Reform Act</i> .
12 September 2024	Application of new licence template and standard licence conditions in accordance with the Utilities Commission's <i>Review of the Northern Territory's</i>

Date	Reason for variation
	<i>Electricity Supply Licencing Regime, Decision paper – standard licence conditions, January 2024</i> (available on the Utilities Commission website).

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Part A – Definitions and interpretation

DEFINITIONS

In this licence:

applicable laws includes the *Electricity Reform Act 2000*, the Regulations and any technical requirements or standards contained in the Regulations, the Pricing Order, the *National Electricity (Northern Territory) (National Uniform Legislation) Act 2015*, the *Utilities Commission Act 2000*, Utilities Commission Regulations 2001 and the *Electrical Safety Act 2022*;

business day means a day that is not a Saturday, a Sunday or a public holiday in the Northern Territory of Australia as declared under the *Public Holidays Act 1981*;

code means any code made by the Utilities Commission under section 24 of the *Utilities Commission Act 2000* or a code made under the *Electricity Reform Act 2000*;

customer has the meaning given to that term under the *Electricity Reform Act 2000*;

electricity generating plants means the electricity generating plants described in the schedule to this licence;

electricity network has the meaning given to that term under the *Electricity Reform Act 2000* and in relation to the licensee's electricity network, it is the electricity network within the geographic area specified in the schedule to this licence;

generation licence means a licence to generate electricity granted under Part 3 of the *Electricity Reform Act 2000*;

Minister means the Minister of the Crown who is responsible for the administration of the relevant provision of the *Electricity Reform Act 2000*;

operation has the meaning given to that term under the *Electricity Reform Act 2000*;

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

Pricing Order means the pricing order issued by the Minister and any pricing determination made by the Utilities Commission under the *Electricity Reform Act 2000*;

Regulations means the regulations made under the *Electricity Reform Act 2000*;

retail area means the geographical area or areas specified in the schedule to this licence;

retail licence means a licence to sell electricity granted under Part 3 of the *Electricity Reform Act 2000*;

rule means any rule made by the Utilities Commission under section 24 of the *Utilities Commission Act 2000*;

supply has the meaning given to that term under the *Electricity Reform Act 2000*;

Utilities Commission means the Utilities Commission established under the *Utilities Commission Act 2000*.

INTERPRETATION

In this licence, unless the contrary intention appears:

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

LICENCE ADMINISTRATION

1 Definitions and Interpretation

In this licence a word or phrase:

- (a) has the meaning given to it in Part A; or
- (b) if the word or phrase is not defined in Part A, then it has the meaning given to it in the *Electricity Reform Act 2000*.

This licence must be interpreted in accordance with the rules set out in Part A.

2 Grant of licence

Under Part 3 of the *Electricity Reform Act 2000*, the Utilities Commission grants the licensee a licence to:

- (a) generate electricity at the electricity generating plants described in Schedule 1 for sale as contemplated by paragraph (b) and (c);
- (b) sell electricity to electricity entities holding a retail licence or a generation licence;
- (c) sell and retail electricity to customers, but only in respect of electrical installations or premises which are located within the retail area described in Schedule 2; and
- (d) own and operate an electricity network within the geographic area specified in Schedule 3 and connect that electricity network to another electricity network specified in Schedule 3,

in accordance with the terms and conditions of this licence.

3 Term

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

- (a) when it is surrendered by the licensee under section 35 of the *Electricity Reform Act 2000*; or
- (b) when it is cancelled by the Utilities Commission under section 36 of the *Electricity Reform Act 2000*.

4 Suspension or cancellation of licence

This licence may be suspended or cancelled under section 36 of the *Electricity Reform Act 2000*.

5 Variation of licence

This licence may only be varied in accordance with section 32 of the *Electricity Reform Act 2000*.

6 Transfer of licence

This licence may only be transferred in accordance with section 33 of the *Electricity Reform Act 2000*.

7 Licence fee and other charges

The licensee must pay an annual licence fee or instalment of the annual licence fee, as the case may be, to the Utilities Commission as determined by the Minister under section 19 of the *Electricity Reform Act 2000*.

GENERAL CONDITIONS

8 Information to the Utilities Commission

8.1. Annual return

The licensee must lodge an annual return by 1 August each year. The annual return must contain such information as specified by the Utilities Commission by written notice. At a minimum, the licensee will be required to provide information on:

- (a) key person/s for the Utilities Commission to contact regarding the licensed operations; and
- (b) details of electricity supply operations for use in the charging of licence fees.

8.2. Change in circumstances

The licensee must give a notice in writing to the Utilities Commission if:

- (a) the licensee is put under external administration as defined by the *Corporations Act 2001* (Cth), within 2 business days of that external administration occurring;
- (b) an application is made to, or an order is made by, a court for the winding up or dissolution or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of the licensee in accordance with relevant legislation including the *Bankruptcy Act 1996* (Cth) or *Corporations Act 2001* (Cth), within 2 business days of that event occurring;
- (c) there is a change to the financial or technical capacity of the licensee, such that the licensee's capacity to carry on operations or comply with obligations under this licence may be materially affected, within 10 business days of that change.

8.3. Change in officers

The licensee must give a notice in writing to the Utilities Commission of any change of directors or Board members, Chief Executive Officer, Chief Financial Officer and Company Secretary (or equivalent positions) as well as the key contact person/s of the licensee (as advised in the licensee's annual return) within 20 business days of that change.

8.4. Change in shareholders (if applicable)

The licensee must give a notice in writing to the Utilities Commission of any change in the shareholding of the licensee resulting in the transfer of more than 50% of the shares in the licensee to a third party or a change in the entity that exercises control over the licensee within the meaning of section 50AA of the *Corporations Act 2001* (Cth), within 20 business days of that change.

8.5. Other information to the Utilities Commission

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

9 Compliance with regulatory instruments

The licensee must, as amended from time to time, comply with:

- (a) all applicable laws;
- (b) all applicable provisions of a code or rule made under the *Utilities Commission Act 2000* or the *Electricity Reform Act 2000*;
- (c) any applicable protocol, standard and code applying to the licensee under the Regulations or the Utilities Commission Regulations 2001; and
- (d) any applicable guideline made by the Utilities Commission under a code, the Regulations, the *Utilities Commission Act 2000* or the Utilities Commission Regulations 2001.

10 Compliance reporting

10.1. Notification of material non-compliance (material breach)

- (a) The licensee must notify the Utilities Commission if it commits a material breach of an applicable regulatory instrument within 2 business days of becoming aware of that breach.
- (b) Following the initial notification, the licensee must advise the Utilities Commission, within 20 business days or other such time as agreed by the Utilities Commission, of the circumstances of, and reasons for, the material breach, consequences of the breach and remedial action that is being undertaken to rectify the breach.
- (c) The notification of material breaches, including the assessment of which breaches are a material breach, must be undertaken in accordance with any reporting guidelines published by the Utilities Commission from time to time.

11 Community service obligations

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

12 Operator

If an operator is appointed to the licensee's business under section 42 of the *Electricity Reform Act 2000*, the operator must exercise its functions and powers in such a manner as may be specified by the Utilities Commission in the instrument of appointment.

CONDITIONS SPECIFIC TO THIS LICENCE

13 Responsibility for operating contractors

- 13.1. If the licensee engages a contractor or other party to perform a material part of the operations covered by this licence (operating contractor), the licensee remains responsible for ensuring that

all operations covered by this licence comply with the conditions of this licence regardless of who carries out those operations.

- 13.2. The licensee must use best endeavours to ensure each operating contractor engaged by the licensee complies with the conditions of this licence to the extent that such conditions are relevant to that operating contractor.
- 13.3. For any operating contractor engaged by the licensee to perform a material part of operations covered by this licence, the licensee must give a notice in writing to the Utilities Commission if:
- (a) there is a change in the identity of the operating contractor, within 10 business days of that change;
 - (b) the operating contractor is put under external administration as defined by the *Corporations Act 2001* (Cth), within 2 business days of that external administration occurring;
 - (c) an application is made to, or an order is made by, a court for the winding up or dissolution or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of the operating contractor in accordance with relevant legislation including the *Bankruptcy Act 1996* (Cth) or *Corporations Act 2001* (Cth), within 2 business days of that event occurring;
 - (d) there is a change to the financial or technical capacity of the operating contractor, such that the licensee's capacity to carry on operations or comply with obligations under this licence may be materially affected, within 10 business days of that change.

14 Quality of electricity

Where activities authorised under this licence include generation of electricity, the licensee must provide electricity of a quality that is consistent with the quality of electricity generated by the electricity generating plants of the type described in Schedule 1 and operating in a remote location.

15 Compatibility

- 15.1. Where the activities authorised under this licence include interconnection of the licensee's electricity network with another electricity network, the licensee must not do anything to its electricity network affecting the compatibility of its electricity network with any other electricity network so as to prejudice public safety or, subject to any arrangements that the licensee has with its customers in relation to the supply of electricity, the security of supply, provided that the licensee is not in breach of this clause 15.1 to the extent that such other electricity network has been altered or has deteriorated since the date of issue of this licence in a manner that renders or contributes to that electricity network no longer being compatible with the electricity network operated by the licensee.
- 15.2. Where the activities authorised under this licence include the generation of electricity, the licensee must not do anything to its electricity generating plant affecting the compatibility of its electricity generating plant with any electricity network so as to prejudice public safety or, subject to any arrangements that the licensee has with its customers in relation to the supply of electricity, the security of supply, provided that the licensee is not in breach of this clause 15.2 to the extent that such other electricity network has been altered or has deteriorated since the date of issue of this

licence in a manner that renders or contributes to that electricity network no longer being compatible with the electricity generating plant operated by the licensee.

16 Network control

Subject to section 38 of the *Electricity Reform Act 2000*, the licensee must be responsible for network control of its electricity network.

17 Coordination

The licensee must operate its electricity network in coordination with other electricity networks to which it is connected directly or indirectly.

18 Operation and maintenance

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

19 Disconnection

The licensee must not disconnect or discontinue supply of electricity, or take any action which may lead to the disconnection or discontinuance of supply of electricity to a customer, except in accordance with section 27(2) of the *Electricity Reform Act 2000*, or otherwise in accordance with any arrangements that the licensee has with its customers in relation to the supply of electricity.

20 Adequate supply arrangements

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

21 Customer related standards and procedures

The licensee must comply with:

- (a) standards and procedures set out in any relevant code or rule made under the *Utilities Commission Act 2000* or the *Electricity Reform Act 2000*; and
- (b) fixed standard terms and conditions for customers of a prescribed class as may be required under the *Electricity Reform Act 2000* and Regulations.

22 Customer notification of changes

- (a) The licensee must notify customers of any changes in charges, rights or obligations applicable to the sale of electricity to that customer before the change occurs.
- (b) Where the licensee changes charges applicable to the sale of electricity to a customer, the licensee must also include an explanatory notice in the next statement of charges sent to that customer.

Schedule 1

ELECTRICITY GENERATION PLANTS

The electricity generating plants covered by this licence are:

Power Station	Description
Alyangula	≤ 26.642 MW diesel generating plant

Schedule 2

RETAIL AREA

The following are locations for permitted sales, for the purpose of clause 2(c) of this licence:

Location
The township of Alyangula

Schedule 3

ELECTRICITY NETWORKS

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

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