



# **CONSTRUCTION TERMS**

## **(Non-Contestable & Contestable)**

### **3302**

VERSION AS AT 3 APRIL 2024

**SA Power Networks**

[www.sapowernetworks.com.au](http://www.sapowernetworks.com.au)

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## PART 1

This Part 1 is relevant to all Customers.

### 1. Overview

- 1.1 This Contract sets out the terms upon which SA Power Networks will establish a Connection or alter an existing Connection between the Distribution Network and the Supply Address.
- 1.2 This Contract deals with the establishment or upgrade of the Connection. While there are certain ongoing obligations in this Contract related to that establishment or upgrade, this Contract does not regulate the ongoing maintenance by SA Power Networks of the Connection once it is built, the physical supply of electricity to the Supply Address, the reading of meters or other services provided by SA Power Networks after the completion of establishment or alteration of the Connection. These matters are dealt with in the Connection and Supply Contract.
- 1.3 SA Power Networks does not sell or buy electricity. The Customer must enter into a contract with a Retailer (of its choice) to purchase electricity at the Supply Address. If the Customer has a generator at the Supply Address which will export electricity into the Distribution Network then the Customer must enter into a contract with a Retailer (of its choice) who will buy that electricity from the Customer.

### 2. Contestable Works

- 2.1 This clause 2 sets out certain matters relevant to the Customer's rights to undertake Contestable Works.
- 2.2 If the Customer wishes to exercise its rights to directly arrange for the undertaking of the Contestable Works (and utilise the rights described in clauses 2.4 to 2.7) then the Customer must tick box 2 on the Offer. The Customer will be obliged to comply with Part 2 of this Contract (as well as Part 1 and where relevant to the Customer Part 3).
- 2.3 If the Customer ticks box 3 in the Offer then the Customer has elected for SA Power Networks to undertake the Contestable Works. In such case unless the Customer requests, and SA Power Networks accepts, a variation under clause 20 of this Contract, the Customer has no rights to undertake the Contestable Works and Part 3 of this Contract, and the rights described in clauses 2.4 to 2.7, are not relevant to the Customer.
- 2.4 The Customer has the right under regulation 39A of the *Electricity (General) Regulations* 2012 to request SA Power Networks prepare technical specifications for the Connection Assets and, to the extent it is contestable, the Extension to connect the Supply Address to the Distribution Network. The specifications SA Power Networks prepares must set out the general design parameters and operating requirements for the Extension and the Connection Assets and must be sufficiently detailed to allow the Customer to call for tenders. The specifications must otherwise comply with regulation 39A of the *Electricity (General) Regulations* 2012 and be provided to the Customer within the time required by that regulation. However as a pre-condition to SA Power Networks preparing these specifications the Customer must pay the reasonable fee specified in the Offer.
- 2.5 The Customer may then call for tenders for the design and construction of the Connection Assets and the Extension based upon those specifications. Tenderers must submit a separate amount for the design and construction of the Connection Assets and a separate amount for the design and undertaking of the Extension.
- 2.6 SA Power Networks will act reasonably in liaising with the Customer and the successful tenderer concerning the design and construction of the Connection Assets and Extension.
- 2.7 However SA Power Networks is not obliged to accept the design and construction of the Connection Assets or Extension by a tenderer if SA Power Networks reasonably forms the view the tenderer does not have the requisite skill and competence to undertake the work according to specifications or that the proposed design and construction does not meet the specifications.
- 2.8 This clause 2 is intended to provide an overview of the Customer's rights to undertake Contestable Works and is not a complete description of those rights. The precise rights held by the Customer are set out in regulation 39A of the *Electricity (General) Regulations* 2012.

### 3. Preliminary

#### 3.1 Definitions

In this Contract, unless the contrary intention is apparent:

**"Act"** means the *Electricity Act 1996* (SA);

**"Applicable Laws"** means the Act and any other legislation, regulations or legally binding instruments (including rules, codes, guidelines, directives, licence conditions or other regulatory instruments) made under legislation or regulations which are directly or indirectly binding on or are expressed to apply to SA Power Networks or the

Customer from time to time and relate to the undertaking of the Works, the Supply Address (including the utilisation of electricity at that Supply Address) or the Distribution Network;

**“Authorisations”** means any licence, permit, consent, certificate, approval or other form of authorisation required to be obtained pursuant to Applicable Law to perform an act or discharge an obligation;

**“Authority”** means any government department or any statutory, public, municipal, local or other authority charged with the responsibility for administering any Applicable Laws;

**“Boundary”** or **“Connection Point”** means the point, as specified in the Offer, which marks the boundary between the electrical installations and equipment at the Supply Address owned by the Customer and the electricity infrastructure owned by SA Power Networks;

**“Business Day”** means a day other than a Saturday, Sunday or day which is a public holiday in South Australia;

**“Certificate of Completion”** means a document issued under clause 41;

**“Civil Works”** means the works described in the Offer as such;

**“Completion”** means that SA Power Networks determines, acting reasonably, that it has completed the Works and is, subject to the Customer completing the Customer Works, the Civil Works and any Contestable Works (being undertaken by the Customer under Part 2 of this Contract) and otherwise meeting the conditions in clause 19.3, ready to energise those Works;

**“Completion Date”** means the date on which Completion is achieved;

**“Connection”** means a physical link between the Distribution Network and the Supply Address to allow the flow of electricity;

**“Connection Applicant”** means the person who made the Connection Enquiry to which the Offer relates;

**“Connection Alteration”** means an alteration to an existing Connection, including an addition, upgrade, extension, expansion, augmentation or any other kind of alteration;

**“Connection Assets”** means the assets which are used, or are to be used, to provide connection services to the Customer at the Supply Address;

**“Connection and Supply Contract”** means the standard connection and supply contract published by SA Power Networks which is applicable to the Customer or, if SA Power Networks and the Customer have agreed to enter into a negotiated connection and supply contract, that negotiated connection and supply contract;

**“Connection and Supply Services”** means the services that SA Power Networks will provide to the Customer under the Connection and Supply Contract, which include the maintenance of the Connection and the delivery of electricity to the Supply Address;

**“Connection Charge”** means the charge (as described in the Offer) payable by the Customer to SA Power Networks for the work involved in establishing a Connection or making a Connection Alteration, as that charge may be varied in accordance with this Contract;

**“Connection Enquiry”** has the meaning given to that term in Chapter 5A of the National Electricity Rules;

**“Connection Policy”** means the SA Power Networks Connection Policy under the National Electricity Rules;

**“Contestable Works”** means the works described as such in the Offer;

**“Contract”** means the contract between the parties in relation to the undertaking of the Works, consisting of this document and the Offer;

**“Contractor”** means a person engaged by the Customer to undertake and complete any part of the Contestable Works;

**“Construction Commencement Date”** means the date on which all of the preconditions set out in clause 4.1 have been satisfied;

**“Construction Program”** means the program prepared by SA Power Networks in accordance with clause 21 for the performance of the Customer Works, Civil Works, Contestable Works and Non-Contestable Works;

**“Customer”** means the customer as set out in the Offer;

**“Customer Payment”** means the amount the Customer is required to pay to SA Power Networks for undertaking the Works, being the Connection Charge as originally set out in the Offer and as may be varied in accordance with this Contract;

**“Customer Representative”** means the person who signs the Offer or such replacement person as is nominated by the current Customer’s Representative to SA Power Networks as the new Customer’s Representative;

**“Customer Works”** means the works to be undertaken at the Supply Address on the Customer side of the Connection Point to enable the Supply Address to take delivery of electricity supplied to the Connection Point and utilise that electricity (as further defined in clause 14.2 and in the Offer);

**“Customer Worksite”** is defined in clause 13.1.

**“Date for Completion”** is defined in clause 6.1.

**“Distribution Network”** means the distribution network SA Power Networks is licensed to operate under the Act;

**“Easements”** means the easements and other land access rights which SA Power Networks requires to be obtained by it for the undertaking of, or ongoing location and maintenance of and access to, the Works and the assets established by the Works;

**“Event of Force Majeure”** means an event beyond the reasonable control of a party, and which by the exercise of reasonable diligence that party is not able to overcome, including without limitation the following provided they meet the foregoing criteria: acts of God, fire, flood, storm, tornado, act or omission of an Authority, failure or breakdown in machinery or failure or disruption to the transportation of goods or services;

**“Extension”** means the works required to connect the Connection Assets to the Distribution Network (given the configuration of that Distribution Network at the time the Customer made a connection enquiry);

**“Final Customer Payment Amount”** is defined in clause 9.2.2;

**“GST”** means any goods and services tax or similar value added tax levied or imposed by the Commonwealth of Australia;

**“Guarantee of Revenue”** means an agreement of that name between SA Power Networks and the Customer referred to in clause 6.2 of the Connection Policy;

**“Initial Customer Payment Amount”** means the amount specified as such in the Offer;

**“Insolvency Event”** means, in respect of a person:

- (a) the appointment of a liquidator, provisional liquidator, controller (as defined in the *Corporations Act 2001*), receiver, administrator, trustee in bankruptcy or similar official to the person or any of their assets or an application is made to a court for any such appointment;
- (b) where the person is a natural person, they die, cease to be of full legal capacity or otherwise become incapable of managing their own affairs for any reason;
- (c) any step is taken that could result in the person becoming an insolvent under administration (as defined in section 9 of the *Corporations Act 2001*);
- (d) the person is unable to pay their debts as and when due;
- (e) the persons suspends or threatens to stop or suspend payment of their debts;
- (f) the person is taken under section 459F(1) of the *Corporations Act 2001* to have failed to comply with a statutory demand;
- (g) the person resolves to wind itself up or gives notice of its intention to do so;
- (h) the person makes or enters into any compromise, scheme of arrangement or assignment for the benefit of creditors;
- (i) the person is otherwise, pursuant to any law, regarded as insolvent;

**“Intellectual Property Rights”** means all intellectual property rights including, any copyright, trademarks, designs, patents, trade secrets or know how, rights to have information kept confidential, rights in circuit layouts, and any right to apply for, obtain or register any of those things;

**“Latent Conditions”** means any unanticipated physical conditions at the Site (such as rocks, items of heritage value, weather conditions or artificial objects) which mean that:

- (a) SA Power Networks is unable to complete the Works; or
- (b) in order to complete the Works, SA Power Networks will incur additional costs to those it expected to incur when SA Power Networks prepared the Offer;

**“Non-Contestable Works”** means the works described as such in the Offer and includes:

- (a) the preparation of the Specifications for the Contestable Works;
- (b) all work required to complete the connection of the Contestable Works to the Distribution Network and the final commissioning and energisation of the Contestable Works;

- (c) the design and construction of any required augmentations to the existing Distribution Network; and
- (d) the overall project management of the above work;

**“Offer”** means the offer letter titled “Negotiated Connection Offer” made by SA Power Networks to the Customer in relation to the undertaking and completion of the Works;

**“Preliminary Works”** means the preliminary works set out in the Offer which must be completed by the Customer prior to SA Power Networks commencing the Works;

**“Premises Connection Assets”** has the meaning given to that term in Chapter 5A of the National Electricity Rules.

**“Retailer”** means as the context suggests:

- (a) a person authorised by law to sell electricity in South Australia;
- (b) the person who is contracted or who will be contracted to sell electricity to the Customer at the Supply Address;

**“SA POWER NETWORKS”** and **“SA Power Networks”** means a partnership of:

Spark Infrastructure SA (No. 1) Pty Ltd	ABN 54 091 142 380
Spark Infrastructure SA (No. 2) Pty Ltd	ABN 19 091 143 038
Spark Infrastructure SA (No. 3) Pty Ltd	ABN 50 091 142 362
each incorporated in Australia	
CKI Utilities Development Limited	ABN 65 090 718 880
PAI Utilities Development Limited	ABN 82 090 718 951
each incorporated in The Bahamas;	

**“SA Power Networks Representative”** means the person identified in the Offer as the SA Power Networks Project Manager, such delegates as that person nominates from time to time and such replacements as SA Power Networks may nominate from time to time;

**“Site”** means the land to which SA Power Networks requires access to undertake the Works;

**“Specifications”** means the technical specifications for the Contestable Works prepared by SA Power Networks and supplied to the Customer, including the technical standards, construction drawings and E-drawings for the Contestable Works;

**“Supply Address”** means the address to which electricity will be delivered through the Connection, as specified in the Offer;

**“Technical Regulator”** means the person holding the office of Technical Regulator under Part 2 of the Act;

**“Works”** means the works described in the Offer other than any part of the Contestable Works described in that Offer which the Customer elects to undertake.

## 3.2 Interpretation

In this Contract, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this Contract, and a reference to this Contract includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to a party is to a party to this Contract, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (f) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (g) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (h) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (i) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;

- (j) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (k) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this Contract or any part of it;
- (l) a word or expression used in this Contract which is defined in the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)* has the same meaning in this Contract; and
- (m) a reference in this Contract to Works or other electricity infrastructure being owned by SA Power Networks means that the Works or infrastructure are owned by Distribution Lessor Corporation and leased to SA Power Networks or are owned by SA Power Networks.

### 3.3 Headings

Headings are for ease of reference only and do not affect interpretation.

### 3.4 Costs

In this Contract, a reference to SA Power Networks' costs includes, in respect of time spent by:

- (a) SA Power Networks' employees;
- (b) those contractors for whom SA Power Networks charges a standard rate,

that time as charged at SA Power Networks' standard rates as in force at the time the employees or contractors undertook the relevant activities.

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## 4. Preconditions to Commencement of the Works

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- 4.1 SA Power Networks is not required to commence the Works until such time as all of the following have occurred:
  - 4.1.1 where the Offer was not signed by the Customer but was signed by someone acting on behalf of the Customer, SA Power Networks has received such evidence as it reasonably requires to substantiate that the person so signing had authority to act on behalf of the Customer;
  - 4.1.2 where the Customer is a tenant at the Supply Address, the Customer has provided to SA Power Networks a signed written consent (in such form as reasonably required by SA Power Networks) from the owner of the Supply Address to the Customer's entry into this Contract;
  - 4.1.3 the Customer has completed the Preliminary Works to SA Power Networks' reasonable satisfaction;
  - 4.1.4 the Customer has paid to SA Power Networks the Initial Customer Payment Amount in accordance with clause 9.2 and SA Power Networks has received this amount in cleared funds;
  - 4.1.5 the Authorisations and Easements for the Works have been obtained in accordance with clause 5;
  - 4.1.6 where the Customer is to arrange for the undertaking of Contestable Works, the Customer has provided to SA Power Networks a document executed by each Contractor in favour of SA Power Networks under which each Contractor agrees to be bound by obligations which reflect Part 2 of this Offer (to the extent those obligations are relevant to the work to be done by the relevant Contractor);
  - 4.1.7 the Customer has provided to SA Power Networks the Guarantee of Revenue and security for payment of amounts payable under the Guarantee of Revenue in accordance with the Offer;
  - 4.1.8 SA Power Networks is satisfied (acting reasonably) it will have safe and unhindered access to the Supply Address as required to undertake the Works; and
  - 4.1.9 any other precondition identified in the Offer has been satisfied.
- 4.2 If the matters referred to in clause 4.1 have not all occurred within 180 days of the date of acceptance of the Offer (or within such other period as specified in the Offer) then SA Power Networks may terminate this Contract. In that case SA Power Networks will (to the extent received in cleared funds) refund to the Customer any payments received from the Customer less the amount of costs incurred by SA Power Networks in respect of works, events, acts or omissions up to the date of termination and costs incurred by SA Power Networks because of the termination (but in either case excluding any costs not incurred by SA Power Networks on a reasonable basis).

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## 5. Authorisations and Land Access Rights

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- 5.1** The Parties agree that, except for such Authorisations as the Offer expressly provides will be obtained by SA Power Networks, the Customer is responsible for obtaining (at its cost) all Authorisations which SA Power Networks is required under Applicable Laws to hold in relation to the Works.
- 5.2** The Customer must obtain all Authorisations required to undertake any Contestable Works to be undertaken by the Customer.
- 5.3** SA Power Networks is responsible for obtaining those Authorisations which the Offer expressly provides will be obtained by SA Power Networks.
- 5.4** The Customer must obtain, and procure there is granted to SA Power Networks at no cost, the Easements specified in the Offer.
- 5.5** SA Power Networks will obtain any other Easements (that is additional to those required to be obtained by the Customer under clause 5.4) which SA Power Networks requires for the Works.
- 5.6** The Customer must reimburse SA Power Networks for the actual costs reasonably incurred by SA Power Networks in obtaining the Easements and if those actual costs exceed the costs estimated in the Offer then SA Power Networks may, under clause 10, vary the amounts payable by the Customer under this Contract so that SA Power Networks is able to recoup those additional costs.
- 5.7** The Customer must reimburse SA Power Networks for the actual costs reasonably incurred by SA Power Networks in obtaining the Authorisations and if those actual costs exceed the costs estimated in the Offer then SA Power Networks may, under clause 10, vary the amounts payable by the Customer under this Contract so that SA Power Networks is able to recoup those additional costs. However this clause 5.7 does not apply if the Offer does not set out estimated costs of obtaining the Authorisations.
- 5.8** All Authorisations and Easements (whether obtained by SA Power Networks or the Customer) must be on terms acceptable to SA Power Networks (acting reasonably) and will not be regarded as having been obtained unless the terms thereof are so acceptable. Without limiting what is relevant to determining what is acceptable to SA Power Networks acting reasonably, an Authorisation or Easement will not be acceptable to SA Power Networks if it imposes costs (whether upfront or over the term of the Authorisation or Easement) upon SA Power Networks greater than those assumed by SA Power Networks (acting reasonably) in formulating the Offer.
- 5.9** An Authorisation or Easement will not be regarded as having been obtained until all rights for any person to challenge the acquisition, grant or terms of that Authorisation or Easement (whether by appeal, judicial review, Ministerial review or otherwise, including appeal under Part 2 of the *Land Acquisition Act 1969* (SA)) have expired and been exhausted (including where there has been an appeal or review application on the date on which any review or appeal is dismissed, struck out or withdrawn or all questions raised by any such review or appeal have been finally determined (other than the question of costs)).

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## 6. Undertaking of the Works

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- 6.1** As and from the Construction Commencement Date, SA Power Networks agrees to use its best endeavours to achieve Completion by the time period specified in the Offer (**Date for Completion**).
- 6.2** The undertaking of the Works may be delayed by the following matters and SA Power Networks is not liable for any delay caused by such matters:
- 6.2.1** the Customer's failure to comply with this Contract;
- 6.2.2** events beyond SA Power Networks' reasonable control (that is, an Event of Force Majeure);
- 6.2.3** if emergencies or other events adversely impact the Distribution Network and, as a prudent operator, SA Power Networks diverts resources to address those events;
- 6.2.4** delays caused by third parties including Authorities, other government agencies, local authorities or operators of other infrastructure (for example roads or telecommunications infrastructure) but excluding any delays caused by SA Power Networks failure to act in accordance with good industry practice;
- 6.2.5** inability of SA Power Networks, or delays in SA Power Networks, obtaining (on terms acceptable to SA Power Networks acting reasonably) access to land required to undertake the Works or any disruption to that access;
- 6.2.6** any health and safety incident, which SA Power Networks considers (having regard to safety laws) requires a suspension to the Works or which otherwise delays the Works, but excluding any health and safety issue caused by SA Power Networks' failure to act in accordance with good industry practice;
- 6.2.7** where SA Power Networks suspends the Works in the circumstances permitted by this Contract.

- 6.3** In the case of delays referred to in clause 6.2.2 to 6.2.6, SA Power Networks will take reasonable steps to overcome the delay but is not required to apply additional resources to the Works than those which were planned to be applied prior to the delay. Further SA Power Networks has no obligation to undertake work outside the hours of 6.00am to 6.00pm on Business Days to overcome or mitigate the extent of any delay which has occurred.
- 6.4** The Date for Completion will be extended to reflect the delay caused to SA Power Networks by the events and circumstances in clause 6.2. SA Power Networks will notify the Customer of any extension to the Date for Completion due to events and circumstances in clause 6.2 once SA Power Networks, acting reasonably, has been able to determine the period of that extension.
- 6.5** If so provided in the Offer, where SA Power Networks has not achieved Completion by the Completion Date due to its breach of clause 6.1, then SA Power Networks will pay liquidated damages for each day of delay caused by SA Power Networks failure to use best endeavours to achieve Completion by the Completion Date. Such liquidated damages will accrue at the rate set out in the Offer and are capped at the amount set out in the Offer. If the Offer sets out such liquidated damages then they are, to the extent permitted by law, SA Power Networks sole liability for delay in achieving Completion.

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## **7. Asset Location**

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- 7.1** If the Offer sets out the location at which assets will be installed by SA Power Networks at the Supply Address then SA Power Networks will install the assets at that location unless in the course of undertaking the Works SA Power Networks identifies conditions which mean it is not safe or technically feasible to do so. If SA Power Networks determines that it needs to move the location of the assets then it will consult with the Customer as to the Customer's preferred location for those assets but the final location will be determined by SA Power Networks, acting reasonably, having regard to safety, technical and practical considerations.
- 7.2** If the Offer does not set out the location of the assets to be installed by SA Power Networks at the Supply Address, then SA Power Networks will consult with the Customer as to the Customer's preferred location for those assets but the final location will be determined by SA Power Networks, acting reasonably, having regard to safety, technical and practical considerations.

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## **8. Information and Co-Operation**

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- 8.1** Each party will:
- 8.1.1 give to the other party all reasonable assistance and information; and
  - 8.1.2 co-operate and liaise with the other party,
- so as to allow that other party to comply with any obligations imposed upon that other party under an Applicable Law or this Contract or which is otherwise reasonably requested by the other party and which relates to the Connection.
- 8.2** Without limiting clause 8.1, the Customer must:
- 8.2.1 provide to SA Power Networks (within 3 Business Days of being requested to do so or such shorter period as SA Power Networks may reasonably request) such information requested by SA Power Networks which is reasonably necessary to enable SA Power Networks to undertake the Works;
  - 8.2.2 provide to SA Power Networks such assistance and do all things as SA Power Networks may reasonably require from time to time in relation to any activity required to be undertaken by SA Power Networks in order to undertake the Works; and
  - 8.2.3 notify SA Power Networks as soon as reasonably possible if (to the knowledge of the Customer) any information provided by the Customer to SA Power Networks changes (including provided indirectly to SA Power Networks via the Customer's Retailer) or if the Customer becomes aware of any error or omission in that information or matter which has caused that information to cease to be correct.
- 8.3** The information SA Power Networks will provide does not extend to providing advice or making an assessment as to whether the electrical installations and other equipment the Customer is installing on the Customer's side of the Boundary are appropriate for the Customer's purposes. SA Power Networks does not provide information or advice in respect of such matters and the Customer must seek that advice from a licensed electrical contractor under the *Plumbers, Gas Fitters and Electricians Act 1995*. Any information SA Power Networks provides, and comments it makes, about such installations and equipment are for SA Power Networks' internal purposes (that is, ensuring the integrity and stability of the Distribution Network) and not for the purposes of providing advice to the Customer.

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## 9. Charges

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- 9.1** The amount payable by the Customer for the Works is the Connection Charge, as set out in the Offer. However the Connection Charge is subject to change in the circumstances set out in clause 10 (and additional costs may also be payable in the circumstances set out in that clause).
- 9.2** The Customer must pay the Connection Charge as follows:
- 9.2.1 the Customer must pay the Initial Customer Payment Amount within 14 days of receiving an invoice from SA Power Networks;
  - 9.2.2 subject to any interim payments required under clause 10, the Customer must pay the remaining portion of the Connection Charge (a **Final Customer Payment Amount**) within the latter of 30 days of receipt of an invoice from SA Power Networks and the date for payment specified in the Offer (and if no such date is specified, then the date of Completion).
- 9.3** If any payments are outstanding beyond the due date for payment SA Power Networks shall be entitled to claim interest on the amount outstanding at the rate equal to the cash rate target (published by the Reserve Bank of Australia) (applying from time to time) plus 3% for the period from the due date for payment until payment is received in full.

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## 10. Variations to Customer Payment and Additional Costs

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- 10.1** The amounts payable set out in the Offer have been determined by SA Power Networks based upon the information provided by the Customer to SA Power Networks, both directly and indirectly (for example information provided by the Customer to its Retailer which is then provided to SA Power Networks). If this information is inaccurate then SA Power Networks may:
- 10.1.1 revise the Connection Charge to reflect the level the Connection Charge would have been set at had accurate information been provided to SA Power Networks;
  - 10.1.2 charge the Customer additional fees for any service vehicle visits where SA Power Networks was unable to undertake the Works as a result of the provision of inaccurate information;
  - 10.1.3 except to the extent recovered by clause 10.1.1 and 10.1.2, charge the Customer for any reasonable costs incurred by SA Power Networks due to the provision of that inaccurate information.
- 10.2** Where SA Power Networks' costs of undertaking the Works are increased by one or more of the events referred to in clause 10.6, SA Power Networks may increase the Connection Charge and, to reflect that change, increase the Final Customer Payment Amount or, if SA Power Networks considers this is appropriate because of the extent of the change in the Connection Charge, require one or more interim additional payments (which will be due within 14 days of issue of an invoice by SA Power Networks). To avoid doubt more than one such variation may be made.
- 10.3** Any changes to the amounts payable by the Customer under this Contract will be determined by SA Power Networks in accordance with all Applicable Laws.
- 10.4** Without limiting the manner in which SA Power Networks' costs of undertaking the Works may be increased, they may be increased due to changes in Applicable Laws which require the Works to be undertaken to a different standard, by events which require SA Power Networks to apply additional resources to the Works, by events which require SA Power Networks to spend more time undertaking the Works than contemplated when preparing the Offer or by events which increase the payments required to be made by SA Power Networks to third parties in respect of the Works.
- 10.5** The additional costs which SA Power Networks may incur due to the Customer's failure to comply with this Contract include waiting time for idle labour which cannot undertake work at the Supply Address (or reasonably undertake work elsewhere) and costs of having to re-attend at the Supply Address where SA Power Networks was unable to undertake its work the first time it attended.
- 10.6** The events referred to in clause 10.2 are:
- 10.6.1 a change in Applicable Laws occurs after the date of the Offer (or if the Offer states that it is based on Applicable Laws in effect as at a particular date, after that date);
  - 10.6.2 a change to any Authorisation (whether held by SA Power Networks or the Customer) (including a variation in the terms of an Authorisation, its cancellation or the substitution of a new Authorisation but excluding any change to an Authorisation consequent upon SA Power Networks breach of the Authorisation);
  - 10.6.3 the costs incurred by SA Power Networks (acting reasonably) in obtaining the Easements are greater than those specified in the Offer;

- 10.6.4 the costs incurred by SA Power Networks (acting reasonably) in obtaining the Authorisations are greater than those specified in the Offer (provided this clause 10.6.4 does not apply if the Offer does not set out estimated costs of obtaining the Authorisations);
  - 10.6.5 any Latent Conditions are discovered after the date of the Offer;
  - 10.6.6 the occurrence of an Event of Force Majeure (whether affecting SA Power Networks or the Customer);
  - 10.6.7 a failure by the Customer to comply with the Construction Program developed under clause 21;
  - 10.6.8 a failure by the Customer to comply with its remaining obligations under this Contract (including without limitation failure to give SA Power Networks access to the Customer Worksite in accordance with clause 13);
  - 10.6.9 SA Power Networks suspends the performance of Works in the circumstances permitted by this Contract;
  - 10.6.10 a request by the Customer to appoint SA Power Networks as the principal contractor under the Work Health and Safety Regulations 2012.
- 10.7** Without limiting clauses 15.2.5, 36.8, 38.5, 40.3 and 41.5 if SA Power Networks has to, due to the Customer's failure to comply with this Contract or due to any deficiency or defect in the relevant test, plans, procedure, design or works caused by the Customer, repeat any test, review, works or obligation of SA Power Networks under this Contract then SA Power Networks may charge the Customer for SA Power Networks' reasonable costs of repeating the test, review, works or obligation at SA Power Networks' standard rates as in force at the relevant time.

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## **11. Contributions and Rebates**

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- 11.1** The Customer may be entitled, by the operation of SA Power Networks' pioneer scheme established in accordance with the National Electricity Rules and other Applicable Laws and as set out in the Connection Policy, to a rebate on amounts paid by the Customer under this Contract in respect of extensions to the Distribution Network if other customers connect to and benefit from extensions funded by the Connection Charges within a 7-year period after the completion of that extension. Where the Customer is entitled to such a rebate SA Power Networks will either allow that rebate to the Customer's Retailer (to be passed through to the Customer) or provide the rebate directly to the Customer.
- 11.2** The Connection Charges may include an amount to allow a rebate to other customers who have funded extensions which extensions facilitate or benefit the supply of electricity to the Supply Address (**Contribution Amount**). Had those extensions not so previously been funded then the Customer would have at least had to pay the Contribution Amount for the Works.
- 11.3** The amount of the "incremental revenue rebate" set out in the Offer is calculated on the assumption that the Customer, for the period over which the rebate is calculated (as provided for in the Connection Policy), uses those Works to take at least the minimum consumption and demand specified in the Offer. If the Offer specifies a Provisional Annual Consumption and a Provisional Annual Demand then at the end of the first three years of use, SA Power Networks will recalculate the incremental revenue rebate based on the Customer's actual use over the first three-year period and assuming that use pattern continues for the remainder of the period over which the incremental revenue rebate is to be calculated. SA Power Networks will determine the amount of any payment required from SA Power Networks to the Customer or from the Customer to SA Power Networks to reflect the recalculation. Payments will either be charged (or paid) to the Customer's Retailer for on-charging (or on-payment) to the Customer or charged (or paid) directly to the Customer. Where the Customer is required to pay SA Power Networks an amount directly, the Customer will be allowed 30 days to pay such amount from the time the Customer is notified by SA Power Networks of the amount owing.

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## **12. Guarantee of Revenue and Security**

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- 12.1** The Customer must provide to SA Power Networks the Guarantee of Revenue and accompanying security specified in the Offer.
- 12.2** The security must be a bank guarantee or other financial instrument compliant with the requirements of clause 6.2 of the Connection Policy (including that it must be an on-demand guarantee provided by an Australian bank with a Standard & Poor's credit rating of not less than A- (or equivalent from Fitch or Moodys) and must be on terms acceptable to SA Power Networks acting reasonably).

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## **13. Access to Site**

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- 13.1** The Customer must provide SA Power Networks (including to avoid doubt its employees, servants, agents and contractors) with clear, unlimited and safe access to the Supply Address and any other part of the Site owned or

controlled by the Customer (the Supply Address and those areas of the Site being the **Customer Worksite**) for the purpose of undertaking the Works and in accordance with any requirements set out in the Offer:

- 13.1.1 on Monday through to Friday from 6:00am to 6:00pm; and
  - 13.1.2 at any other time requested by SA Power Networks unless the Customer has indicated to SA Power Networks that reasonable circumstances exist at a time stated which prevent the Customer from providing SA Power Networks access to the Site.
- 13.2** The Customer must ensure no employee, agent or contractor of the Customer hinders or disrupts SA Power Networks' access to the Site.
- 13.3** It is not reasonable for the Customer to prohibit SA Power Networks from having access to the Site in accordance with clause 13.1.2, due to the existence of adverse weather conditions.
- 13.4** The Customer must ensure that:
- 13.4.1 the Customer Worksite meets the Customer's safety standards and, provided they have been notified to the Customer, SA Power Networks' safety standards;
  - 13.4.2 all known hazards at the Customer Worksite have been shown to SA Power Networks prior to commencement of the Works; and
  - 13.4.3 any safety procedures relating to the Customer Worksite have been provided and demonstrated to SA Power Networks prior to commencement of the Works.
- 13.5** If due to hazards or other matters at the Site SA Power Networks, having regard to occupational health and safety standards which apply to SA Power Networks, considers (acting reasonably) it is unsafe for SA Power Networks to undertake the Works at the Site, then SA Power Networks will suspend the undertaking of the Works and notify the Customer of the unsafe conditions. Where the unsafe conditions relate to the Customer Worksite, the Customer is responsible for rectifying the unsafe condition and SA Power Networks will not recommence work until the unsafe conditions are rectified. Where the unsafe conditions relate to any other part of the Site, SA Power Networks will (to the extent SA Power Networks has control over the matter) use reasonable endeavours to have them rectified.
- 13.6** On the termination of this Contract for any reason, SA Power Networks may access the Customer Worksite at any time in order to disconnect, dismantle and remove from the Customer Worksite any goods and equipment supplied by SA Power Networks for the purposes of undertaking the Works (without prejudice to any other rights of recovery that may be available to SA Power Networks). The Customer must not hinder or disrupt any such access by SA Power Networks to the Customer Worksite.
- 13.7** The Works will not become affixed to the Site and will not become subject to any security held over the Site by a third party.

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## **14. Customer Works**

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- 14.1** The Customer must undertake the Customer Works.
- 14.2** The Customer Works means:
- 14.2.1 such works described in the Offer;
  - 14.2.2 except to the extent otherwise provided in the Offer (and to the extent not already undertaken) installing electrical wiring and electrical installations at the Supply Address so as to enable the Supply Address to utilise the electricity supplied to the Connection Point;
  - 14.2.3 unless already installed at the Supply Address, installation at the Supply Address of a current limiting device to limit the load current to the Authorised Service Capacity as set out in Part 6 of the Offer.
- 14.3** The current limiting device referred to in clause 14.2.3 must:
- 14.3.1 be either of a fixed current type or, if adjustable, capable of being sealed by SA Power Networks;
  - 14.3.2 comply with the SA Power Networks Service & Installation Rules and applicable Australian Standards .
- 14.4** The Customer Works must be undertaken by a licensed electrical contractor under the *Plumbers, Gas Fitters and Electricians Act 1995*.
- 14.5** The Customer Works must be undertaken in accordance with:
- 14.5.1 Australian Standard 3000 – Wiring Rules;
  - 14.5.2 Australian Standard 3008 – Electrical Installations: Selection of Cables;
  - 14.5.3 SA Power Networks Service & Installation Rules; and

- 14.5.4 all Applicable Laws, including the technical standards specified in the Act and the regulations thereunder.
- 14.6** The Customer Works must be undertaken so that, and the Customer must otherwise ensure that, SA Power Networks will have safe and convenient access to the metering point on the Supply Address.
- 14.7** The Customer must not install a lock on the meter box at the Supply Address, unless that lock is approved by SA Power Networks and is compatible with the “SA Power Networks Master Key System”.
- 14.8** The Customer must not vary the Customer Works, from those described in the Offer, without first notifying SA Power Networks and seeking its consent. SA Power Networks will give such consent provided that the varied work will not increase the cost of SA Power Networks undertaking the Works or delay the Works and provided the Customer Works as varied will comply with the requirements of this Contract. Where the varied work will increase the cost of SA Power Networks undertaking the Works then the request for consent will be treated as a request for a variation of the Works under clause 20 and dealt with in accordance with that clause.
- 14.9** The Customer must immediately notify SA Power Networks if any defect or danger is identified in any of the equipment installed, or being installed, by the Customer as part of the Customer Works.
- 14.10** The Customer must ensure the licensed electrical contractor engaged by the Customer to undertake the Customer Works provides to SA Power Networks, promptly after their issue, all certificates of compliance under the Act issued by the licensed electrical contractor in relation to the electrical installations at the Supply Address.

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**15. Civil Works**

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- 15.1** Unless the Offer provides that SA Power Networks will undertake the Civil Works, the Customer must undertake the Civil Works.
- 15.2** Where the Offer states that the Civil Works include a “transformer foundation” then the following procedures in this clause 15.2 apply:
- 15.2.1 as part of the Civil Works the Customer must supply and install a transformer foundation approved by SA Power Networks acting reasonably (including the facility to allow the transformer to be installed/removed by forklift if the transformer location is to be within the structure of a building);
- 15.2.2 if requested by the Customer SA Power Networks will supply to the Customer a transformer vault (but ownership of which will remain with SA Power Networks);
- 15.2.3 if the Customer wishes SA Power Networks to provide any other equipment (for example conduits) the Customer must apply for a variation under clause 20;
- 15.2.4 prior to commencing the Civil Works relating to the transformer foundation the Customer must provide to SA Power Networks the plans for, and procedures pursuant to which, those Civil Works will be undertaken and obtain SA Power Networks approval for those plans and procedures. The Customer must make any changes to the plans and procedures reasonably required by SA Power Networks as a condition of SA Power Networks giving such approval;
- 15.2.5 where due to deficiencies in the plans and procedures for the Civil Works SA Power Networks has to review those plans and/or procedures on more than one occasion then SA Power Networks may charge the Customer SA Power Networks’ reasonable costs of considering each subsequent proposed version of the plans or procedures (after the first review undertaken by SA Power Networks) at SA Power Networks’ standard rates as in force at the relevant time;
- 15.2.6 the Customer must undertake the transformer foundation Civil Works within the timeframe specified by SA Power Networks (acting reasonably).
- 15.3** In undertaking the Civil Works the Customer must comply with:
- 15.3.1 “SA Power Networks Trenching & Conduit Standard for Underground Cable Networks TS-085”;
- 15.3.2 applicable Australian Standards ;
- 15.3.3 SA Power Networks’ reasonable directions; and
- 15.3.4 in respect of Civil Works involving trenching, TS-105-C-1 and TS-105-C-2 (available on [www.sapowernetworks.com.au](http://www.sapowernetworks.com.au)).
- 15.4** Where the Customer is required to comply with TS-105-C-1 and TS-105-C-2 the Customer must ensure the civil works contractor engaged by it to undertake the trenching provides the relevant forms to SA Power Networks at least 10 days prior to commencing the trenching.

- 15.5** If the Customer wishes SA Power Networks to undertake Civil Works which are the responsibility of the Customer under this clause 15, the Customer may request a variation under clause 20. Until such time as that variation takes effect the Customer remains bound to undertake the Civil Works.

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## **16. Goods and Equipment**

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- 16.1** The Customer must supply to SA Power Networks the goods or equipment which the Offer states are to be supplied by the Customer which goods and equipment are to be supplied at such time specified in the Offer or otherwise at such time reasonably specified by SA Power Networks. The Customer must ensure the goods and equipment:
- 16.1.1 are fit for purpose, in good working order and meet all safety and other standards applying under Applicable Laws;
  - 16.1.2 have been tested and inspected in accordance with good industry practice so as to demonstrate their compliance with clause 16.1.1;
  - 16.1.3 are free from any charge or encumbrance in the favour of any third party and that the Customer provides to SA Power Networks good title to all such goods and equipment.
- 16.2** The Customer must accommodate at the Supply Address and protect from harm, any items or equipment that SA Power Networks (including to avoid doubt its employees, agents or sub-contractors) bring onto the Site to undertake (including to install as part of) the Works.

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## **17. Ongoing Obligations**

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- 17.1** Title to the Works and to any assets or equipment SA Power Networks installs under this clause 17 at all times remains with either SA Power Networks or Distribution Lessor Corporation.
- 17.2** The Customer must allow SA Power Networks to install at the Supply Address the assets and equipment to establish and maintain the Connection.
- 17.3** The Customer must ensure it does not erect any building or structure in proximity to a powerline in contravention of the Act. In addition to being a breach of this Contract doing so may lead to the imposition of fines and court orders for rectification of the breach. (Further information on proximity limits may be obtained from the Office of the Technical Regulator: Phone Number 8226 5500).
- 17.4** The Customer must notify SA Power Networks if its demand at the Supply Address exceeds the Agreed Annual Demand and the Agreed Additional Demand set out in Part 6 of the Offer or in any other contractual documents (such as the Connection and Supply Contract) in force between the Customer and SA Power Networks from time to time. In such cases it may be necessary to upgrade the Distribution Network to supply the Customer, and if so the Customer may be required to make a further connection application.
- 17.5** The Customer must not interfere with any aspect of the Works (either during the period in which SA Power Networks is undertaking the Works and after the Works have been completed) and, to the extent the matter is within the Customer's control, must take all necessary and reasonable steps to protect the assets which comprise the Works from loss or damage.

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## **18. Metering**

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- 18.1** Unless SA Power Networks is required by Applicable Laws to install metering equipment at the Supply Address, the Customer is responsible for ensuring metering equipment is installed at the Supply Address complying with the requirements of all Applicable Laws and this clause 18. SA Power Networks will notify the Customer if SA Power Networks is required by Applicable Laws to install metering equipment at the Supply Address.
- 18.2** Where the capacity of the Connection exceeds 100 ampere then the metering point at the Supply Address must include current transformers for revenue metering in the main switchboard as outlined in Section 8 of SA Power Networks Service and Installation Rules.
- 18.3** The meter provided must be configured such that all multi phase metering for business customers must be a minimum of type 5 and must be configured to capture both active and reactive energy data so that the correct network tariff can be applied.
- 18.4** If SA Power Networks is engaged as the metering provider for the Supply Address, then the terms upon which SA Power Networks will provide services as a metering provider will be set out in a separate contract.

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## **19. Conditions to Connection and Energisation**

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- 19.1** SA Power Networks will not energise a Connection to the Supply Address until the Customer has selected a Retailer for the Supply Address, notified SA Power Networks of the name of that Retailer and forwarded to that Retailer an "Application for New Electricity Supply".

- 19.2** SA Power Networks will not energise an upgraded Connection to the Supply Address until the Customer has notified SA Power Networks of the Retailer for the Supply Address and forwarded to that Retailer an “Application for Alteration of Service/Meter”.
- 19.3** SA Power Networks will not energise a Connection or upgraded Connection until:
- 19.3.1 a metering installation (complying with the requirements under clause 18) has been installed at the Supply Address;
  - 19.3.2 where the Customer is undertaking Contestable Works, a Certificate of Completion has been issued by SA Power Networks;
  - 19.3.3 SA Power Networks has received all amounts due to it under this Contract in cleared funds;
  - 19.3.4 the Customer has discharged all of its obligations under this Contract (other than those which, of their nature, arise after, or are not required to be discharged prior to, energisation of the Connection).

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## **20. Variation of Works**

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- 20.1** The Customer must provide written notice to SA Power Networks as soon as reasonably practicable after a decision to request a variation to the Works has been made by the Customer.
- 20.2** Where the Customer requests a variation to the Works:
- 20.2.1 the Customer will provide SA Power Networks with a specification detailing the variation required;
  - 20.2.2 subject to the requirements of all Applicable Laws, it is at SA Power Networks’ discretion (exercised acting reasonably) whether it accepts that variation;
  - 20.2.3 if SA Power Networks agrees to undertake the variation, SA Power Networks will provide to the Customer a notice in writing (**Variation Offer**) setting out the terms upon which it is prepared to undertake the variation including:
    - (a) the additional amounts payable by the Customer for the variation (or if the variation would reduce the cost of the Works, then the amount of the reduction to the cost of the Works);
    - (b) any changes to the terms of this Contract required to accommodate the variation (including without limitation any change to the time required to undertake the Works);
    - (c) the time for which SA Power Networks’ notice remains open for acceptance (which must be reasonable (having regard to the status of the Works and all other relevant factors)).
- 20.3** The Customer must notify SA Power Networks within the time specified in clause 20.2.3(c) whether the Customer accepts or rejects SA Power Networks’ offer to vary the Works. If the Customer fails to provide notice within such period the offer will be taken to have been rejected.
- 20.4** If the Variation Offer is accepted, then this Contract will be varied in accordance with its terms. If the Variation Offer is not accepted there will be no variation to this Contract or the Works.
- 20.5** SA Power Networks may, as a pre-condition to providing the Variation Offer to the Customer, require the Customer to pay SA Power Networks’ reasonable costs of preparing the Variation Offer. In such case SA Power Networks is not obliged to commence work on preparation of the Variation Offer until such payment has been received by SA Power Networks.
- 20.6** Any Variation Offer will be prepared by SA Power Networks in accordance with all Applicable Laws.
- 20.7** The Customer may request SA Power Networks to suspend the undertaking of the Works. SA Power Networks will not unreasonably withhold its consent to such a request but the Customer must reimburse SA Power Networks all additional reasonable costs it incurs due to such suspension.
- 20.8** The Customer may, at any time, cancel the undertaking by SA Power Networks of the Works. In such case SA Power Networks will cease undertaking the Works as soon as reasonably practicable after receipt of the notice of cancellation from the Customer. If the Customer cancels the Works, then the Customer must pay SA Power Networks:
- 20.8.1 all costs incurred by SA Power Networks in undertaking the Works up until the time SA Power Networks ceases the Works;
  - 20.8.2 all costs which SA Power Networks is committed to incur in undertaking the Works at the time SA Power Networks ceases the Works (and which cannot be avoided by cancelling the arrangement under which they are incurred); and
  - 20.8.3 all reasonable costs SA Power Networks incurs due to the cancellation of the Works, including, without limitation, demobilisation and redeployment costs, costs of removing partially completed Works or

otherwise making them safe and costs of cancelling subcontracts and any other relevant contracts (or portions thereof),

except to the extent (if any) that such costs are recouped by any payments made by the Customer to SA Power Networks prior to the termination of the Contract or, in the case of 20.8.1 or clause 20.8.2, such costs would not be permitted to be recouped through the Connection Charges. SA Power Networks may issue one or more invoices to the Customer for amounts payable under this clause 20.8 and the Customer must pay those invoices within 14 days of their receipt.

- 20.9** Where the Customer cancels the undertaking by SA Power Networks of the Works and the payments (excluding payments made on account of GST) made by the Customer prior to termination of this Contract exceed the amounts referred to in clauses 20.8.1, 20.8.2 and 20.8.3, then SA Power Networks will refund the amount of that excess to the Customer. SA Power Networks must determine the refund to which the Customer is entitled within a reasonable time and then provide the refund within a reasonable time.

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## **21. Construction Program**

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In consultation with the Customer, SA Power Networks will (acting reasonably) finalise a detailed construction program for performance and completion of the Non-Contestable Works, the Contestable Works, the Civil Works, the Customer Works and the Preliminary Works.

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## **22. Representatives**

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- 22.1** SA Power Networks warrants that the SA Power Networks Representative has authority to give and receive all necessary instructions and approvals in and about the performance of this Contract.
- 22.2** The Customer warrants that the Customer Representative has authority to give and receive all necessary instructions and approvals in and about the performance of this Contract.

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## **23. Australian Consumer Law**

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- 23.1** Nothing in this Contract limits SA Power Networks' liability to the Customer for failure to comply with any Australian Consumer Law guarantees (which by virtue of the Australian Consumer Law exist between SA Power Networks and the Customer) which apply in respect of the goods or services provided by SA Power Networks under this Contract which goods or services are of a type ordinarily acquired for personal, domestic or household use.
- 23.2** Pursuant to section 64A of the Australian Consumer Law this clause 23.2 and clause 23.3 apply in respect of the goods or services supplied under this Contract which are not of a kind ordinarily acquired for personal, domestic or household use or consumption, but this clause 23.2 and clause 23.3 will not apply if the Customer establishes that reliance on them would not be fair and reasonable. This clause 23.2 and 23.3 prevail over any inconsistent provisions in this Contract.
- 23.3** The liability of SA Power Networks for failure to comply with a guarantee under Division 1 of Part 3-2 of the Australian Consumer Law (other than a guarantee under section 51, 52 or 53 ) is limited to:
- 23.3.1 in the case of goods, to one of the following as determined by SA Power Networks: the replacement of the goods or the supply of equivalent goods, the repair of the goods, the payment of the cost of replacing the goods or of acquiring equivalent goods or the payment of the cost of having the goods repaired; and
- 23.3.2 in the case of services, to one of the following as determined by SA Power Networks: the supplying of the services again or the payment of the cost of having the services supplied again.

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## **24. Indemnity and Liability (Other than under the Australian Consumer Law)**

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- 24.1** This clause 24 does not apply to any guarantees which arise under the Australian Consumer Law and this clause 24 is subject to the application of clause 23.
- 24.2** If the Customer is a "small customer" (as defined in the National Energy Retail Law as it applies in South Australia) then except as provided in clauses 24.3 and 24.4 this Contract does not limit SA Power Networks' liability to the Customer for breach of this Contract or negligence.
- 24.3** If the Customer is a "small customer" (as defined in the National Energy Retail Law as it applies in South Australia) who purchases less than 30 MWh of electricity per annum then in respect of any act or omission under this Contract associated with a failure to supply electricity:
- 24.3.1 SA Power Networks is only liable to the Customer where it acts negligently or in bad faith; and

- 24.3.2 SA Power Networks' aggregate liability to the Customer under this Contract and the Connection and Supply Contract for such negligence or bad faith is, per event, capped at \$500,000.00 (five hundred thousand dollars). SA Power Networks' liability to the Customer extends to liability for any loss suffered, including physical loss, consequential loss and loss of profits due to:
- (a) problems in the quality of the supply of electricity to the Supply Address (such as power surges and power drops); or
  - (b) interruptions to or failures of the supply of electricity to the Supply Address.
- 24.4** If the Customer purchases at least 30 MWh of electricity per annum then in respect of any act or omission under this Contract associated with a failure to supply electricity:
- 24.4.1 SA Power Networks is only liable to the Customer where it acts negligently or in bad faith; and
- 24.4.2 SA Power Networks' aggregate liability to the Customer under this Contract and the Connection and Supply Contract for such negligence or bad faith is, per event, capped at \$1,000,000.00 (one million dollars) and SA Power Networks is only liable to the Customer for physical loss or damage and personal injury. To avoid doubt SA Power Networks' liability to the Customer extends to liability for any physical loss or damage and personal injury (but no other loss) due to:
- (a) problems in the quality of the supply of electricity to the Supply Address (such as power surges and power drops); or
  - (b) interruptions to or failures of the supply of electricity to the Supply Address; and
- 24.4.3 SA Power Networks is not liable to the Customer for any forms of loss other than physical loss or personal injury.
- 24.5** The amounts of \$500,000 and \$1,000,000 referred to in clauses 24.3 and 24.4 will be adjusted on 1 July of each financial year by multiplying the stated amount by a proportion obtained by dividing the Consumer Price Index (All Groups Index for Adelaide) for the March quarter of the calendar year in which the relevant financial year commences by the Consumer Price Index (All Groups Index for Adelaide) for the March quarter 2003.
- 24.6** The intent of clauses 24.3 to 24.4 is to adopt the limitation of liability regime outlined in regulation 10 of the *National Energy Retail Law (Local Provisions) Regulations 2013* (except that clause 24.4 applies to all customers who purchase at least 30 MWh of electricity per annum rather than just small customers).
- 24.7** Where the Customer is not a "small customer" (as defined in the National Energy Retail Law as it applies in South Australia) then (except for the liability set out in clause 24.4) SA Power Networks' liability to the Customer for any act or omission of SA Power Networks of whatever nature relating to or in connection with this Contract, the Works or any matter relating to the Supply Address is limited to \$1,000,000 (as adjusted in accordance with clause 24.5) less any amounts which may be payable by SA Power Networks to the Customer under the Connection and Supply Contract in relation to the same event or series of events which gave rise to the liability under this Contract.
- 24.8** Where the Customer is not a small customer (as defined in the National Energy Retail Law as it applies in South Australia) then SA Power Networks is not liable to the Customer for:
- 24.8.1 any loss of profit, loss of production, loss of business, loss of opportunity, business interruption, loss of revenue, loss of contract, loss of anticipated savings, loss or corruption of data or loss of privacy of communications; or
  - 24.8.2 consequential, special, indirect, exemplary or punitive losses or damages,
- arising out of or in connection with this Contract or any act or omission (including negligent acts or omissions) of SA Power Networks or its officers, employees, agents or contractors in connection with this Contract.
- 24.9** Clauses 24.7 and 24.8 apply to all causes of action of any nature whether in contract, in tort (including negligence), in equity, under statute or on any other basis whatsoever.
- 24.10** If the Customer is not a small customer (as defined in the National Energy Retail Law as it applies in South Australia) and due to the Customer's breach of this Contract or negligence a third party brings a claim against SA Power Networks then the Customer must indemnify SA Power Networks and keep SA Power Networks indemnified against :
- 24.10.1 any liability SA Power Networks incurs to that third party; and
  - 24.10.2 any costs SA Power Networks incurs in defending the third party claim,
- but excluding any liability which arises due to SA Power Networks' negligence or (except to the extent caused by the Customer) SA Power Networks' breach of contract and excluding any liability or costs SA Power Networks would not have incurred had SA Power Networks complied with the common law duty to mitigate loss

- 24.11** If due to the Customer's breach of this contract or negligence, the Customer damages SA Power Networks' property then, without limiting any other rights SA Power Networks has against the Customer, the Customer must reimburse SA Power Networks on demand the costs SA Power Networks incurs in repairing or replacing the damaged property (including any steps taken to make it safe prior to commencing such repair or replacement) but excluding any costs SA Power Networks would have avoided had it complied with the common law duty to mitigate loss.

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**25. Force Majeure**

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A party is not liable for a failure to perform an obligation under this Contract (including without limitation failure to perform an obligation within the time required by this Contract) where that failure is caused by or results from an Event of Force Majeure.

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**26. Termination**

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- 26.1** Either party may terminate this Contract by 7 days' notice in writing to the other party if the other party breaches this Contract and has failed to remedy that breach within 30 days of written notice from the non defaulting party specifying the alleged breach and requiring its remedy.
- 26.2** In addition to its rights to terminate under clause 26.1, SA Power Networks may terminate this Contract if:
- 26.2.1 the Customer's acts or omissions cause delays of a period of more than 90 days (or such other period specified in the Offer) to the undertaking of the Non-Contestable Works or the Contestable Works;
  - 26.2.2 the Customer has not completed the Civil Works, the Customer Works and any Contestable Works being undertaken by the Customer within 6 months of the Construction Commencement Date;
  - 26.2.3 due to Latent Conditions SA Power Networks is unable to complete the Works;
  - 26.2.4 the Customer is subject to an Insolvency Event.
- 26.3** Any termination of this Contract is without prejudice to any rights or remedies the terminating party may have against the other party which may have arisen prior to the date of termination.
- 26.4** On termination of this Contract by either party under this clause 26:
- 26.4.1 each party must promptly return to the other party any of the other party's confidential information which is in its possession and control as at the date of termination; and
  - 26.4.2 SA Power Networks may disconnect, dismantle and remove any of the Works from the Site.
- 26.5** If SA Power Networks terminates this Contract under this clause 26 then the Customer must pay SA Power Networks:
- 26.5.1 all costs incurred by SA Power Networks in undertaking the Works up until the time SA Power Networks ceases the Works;
  - 26.5.2 all costs which SA Power Networks is committed to incur in undertaking the Works at the time SA Power Networks ceases the Works (and which cannot be avoided by cancelling the arrangement under which they are incurred); and
  - 26.5.3 all reasonable costs SA Power Networks incurs due to the cancellation of the Works, including, without limitation, demobilisation and redeployment costs, costs of removing partially completed Works or otherwise making them safe and costs of cancelling subcontracts and any other relevant contracts (or portions thereof),
- except to the extent (if any) that such costs are recouped by any payments made by the Customer to SA Power Networks prior to the termination of the Contract or, in the case of 26.5.1 or clause 26.5.2, such costs would not be permitted to be recouped through the Connection Charges. SA Power Networks may issue one or more invoices to the Customer for amounts payable under this clause 26 and the Customer must pay those invoices within 7 days of their receipt.
- 26.6** Nothing in clause 26.4 or 26.5 will limit either party's right to recover damages from the other party for breach of contract.

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**27. Notices**

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- 27.1** Notices, consents, requests, invoices or other communication ("**Notice**") required or permitted to be given by a party to the other party under this Contract must be given as follows:

- 27.1.1 where a Notice is being provided from the Customer to SA Power Networks, the Notice must be in writing, signed (including electronic signature), addressed to SA Power Networks' Representative and sent by either prepaid post or email to the relevant address details set out in the Offer or such replacement details as the SA Power Networks Representative advises to the Customer from time to time by 5 Business Days' Notice;
- 27.1.2 where a Notice is being provided from SA Power Networks to the Customer, the Notice must be in writing, signed (including electronic signature), addressed to the Customer's Representative and sent by either prepaid post or email to the relevant address details set out in the Offer or such replacement details as the Customer Representative advises to SA Power Networks from time to time by 5 Business Days' Notice.

**27.2** Notices given under this Contract sent by prepaid post shall be deemed to be served 5 Business Days after posting.

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## **28. Confidentiality**

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- 28.1** Except for disclosure required by law, to its legal advisers and as reasonably required to enable the Customer to perform its obligations and exercise its rights under this Contract the Customer must keep confidential the terms of this Contract and any information disclosed to it by or on behalf of SA Power Networks (but excluding information in the public domain other than due to the Customer's breach of this clause 28.1).
- 28.2** Except for disclosure required by law, to its legal advisers and as reasonably required to enable SA Power Networks to perform its obligations and exercise its rights under this Contract or to operate and maintain its Distribution Network SA Power Networks must keep confidential any information disclosed to it by or on behalf of the Customer which information of its nature is commercially sensitive.
- 28.3** All Intellectual Property Rights in any work, material, documents, software, process, data, information, matters or things created by SA Power Networks under or in connection with this Contract will remain the property of SA Power Networks.

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## **29. Dispute Resolution**

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- 29.1** If a dispute arises between the parties under or in connection with this Contract or the Works, the parties must meet and use their best endeavours to resolve that dispute by negotiation or otherwise before commencing legal proceedings.
- 29.2** The parties will be deemed to have used their best endeavours to resolve a dispute if they have met to discuss the dispute and have failed to resolve it within 14 days of that meeting.
- 29.3** Nothing in this clause 29 will preclude either party from seeking an urgent interim or interlocutory injunction in cases of genuine urgency.

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## **30. Entire Agreement and Precedence**

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- 30.1** This Contract and the Guarantee of Revenue supersedes all prior agreements, understandings, arrangements and undertakings between the parties and constitute the entire agreement between the parties relating to the Works.
- 30.2** In the event of an inconsistency between this document and the Offer, the relevant provisions of the Offer will prevail.
- 30.3** In addition to this Contract, a party may have rights under statute relating to this Contract and those rights are only limited or excluded to the extent expressly provided for in this Contract and permitted by that statute.

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## **31. Amendment**

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- 31.1** This Contract may only be amended by a further written document signed by SA Power Networks and the Customer (or someone validly acting on behalf of the Customer).
- 31.2** If the Customer wishes to have the Connection altered then the Customer, or where permitted by Applicable Laws, the Customer's Retailer, must make a further application to SA Power Networks in accordance with Applicable Laws.

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## **32. Complaints**

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- 32.1** This clause 32 applies only to Customers who are "small customers".
- 32.2** A small customer means a customer who purchases energy principally for personal, household or domestic use at a premises or a business customer whose consumption of electricity is below such threshold prescribed by South Australian law from time to time.
- 32.3** Upon the Customer's request SA Power Networks will notify the Customer if they are a small customer.

- 32.4** If the Customer has a query, complaint or dispute in relation to this Contract the Customer may contact SA Power Networks to resolve it. SA Power Networks' contact details are: email [customer.relations@sapowernetworks.com.au](mailto:customer.relations@sapowernetworks.com.au); facsimile: 08 8404 9374; Post Address GPO Box 77 Adelaide SA 5001.
- 32.5** If the Customer so contacts SA Power Networks then SA Power Networks is obliged to handle the query, complaint or dispute in accordance with SA Power Networks' standard complaints and dispute resolution procedures, which can be found at [www.sapowernetworks.com.au](http://www.sapowernetworks.com.au). If the Customer requests, SA Power Networks will provide to the Customer a copy of those procedures.
- 32.6** Once SA Power Networks has reviewed the query, complaint or dispute it will inform the Customer of the outcome of the review.
- 32.7** If the Customer is not satisfied with SA Power Networks' response to the query, complaint or dispute it may refer the matter to the Energy and Water Ombudsman SA who can be contacted on 1800 665 565 and whose website is <http://www.ewosa.com.au>.

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### **33. Goods and Services Tax**

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- 33.1** Unless specifically described in this Contract as 'GST inclusive', the consideration to be paid or provided for a supply made under or in connection with this Contract does not include any amount on account of GST.
- 33.2** Where any supply to be made by one party ('Supplier') to the other party ('Recipient') under or in connection with this Contract is subject to GST (other than a supply the consideration for which is specifically described in this Contract as 'GST inclusive'):
- 33.2.1 the consideration payable or to be provided for that supply but for the application of this clause 33 ('GST Exclusive Consideration') shall be increased by, and the Recipient shall pay to the Supplier, an amount equal to the GST payable by the Supplier in respect of that supply; and
- 33.2.2 provided the Recipient has received a tax invoice for the supply, the Recipient must pay that additional amount at the same time and in the same manner as the GST Exclusive Consideration payable or to be provided for that supply (and where the tax invoice has not been received then the payment on account of GST will not be due until 14 days after the receipt of that tax invoice).
- 33.3** If any payment to be made to a party under or in connection with this Contract 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 33.2.1.
- 33.4** If an adjustment event has occurred in respect of a taxable supply made under or in connection with this Contract, 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 taxable supply, or any refund of GST (or part thereof), is paid no later than 28 days after the Supplier first becomes aware that the adjustment event has occurred.

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### **34. Personal Property Securities Act**

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- 34.1** The Customer consents to SA Power Networks effecting registrations on the PPSR in relation to any security interest arising under or in connection with or contemplated by this Contract and the Customer must promptly do any act or thing that SA Power Networks reasonably requires to ensure that SA Power Networks' interest is a perfected security interest.
- 34.2** SA Power Networks agrees with the Customer not to disclose information of the kind mentioned in subsection 275(1) of the PPSA except in circumstances required by paragraphs 275(7)(b)-(e).
- 34.3** In this clause 34:
- 34.3.1 "PPSA" means the *Personal Property Securities Act 2009* (Commonwealth);
- 34.3.2 "PPSR" means the register established under the PPSA; and
- 34.3.3 the following words have the respective meanings given to them in the PPSA: registration and security interest.

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## PART 2 – CONTESTABLE WORKS BEING UNDERTAKEN BY CUSTOMER

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This Part 2 is only relevant where the Customer is undertaking Contestable Works. This Part 2 sets out the terms upon which the Customer must undertake those Works. (Note where the Customer is undertaking Contestable Works, the provisions of Part 1 also impact upon how those Works are undertaken).

Where it is agreed in writing between SA Power Networks and the Customer that the Customer will only undertake part of the Contestable Works (for example the Contestable Works relating to the Connection Assets whereas SA Power Networks will undertake the Contestable Works relating to the Extension) then this Part 2 only applies to the Contestable Works being undertaken by the Customer.

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### **35. Contractors**

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- 35.1** The Customer must ensure that each Contractor complies with all terms of this Part 2 which terms are expressed to apply to Contractors.
  - 35.2** A Contractor must hold all Authorisations required by Applicable Laws and hold all required qualifications to safely and lawfully carry out the Contestable Works.
  - 35.3** The Customer must advise SA Power Networks of the name, address and contact details of each Contractor, before that Contractor commences to undertake the Contestable Works.
  - 35.4** The Customer must promptly give SA Power Networks whatever other information SA Power Networks may reasonably request from time to time about any Contractor or proposed Contractor.
  - 35.5** If SA Power Networks, acting reasonably, does not consider that a proposed Contractor has the requisite skill and competence to undertake the Contestable Works in accordance with this Part 2 or otherwise will not comply with the requirements of this Part 2 then SA Power Networks may notify the Customer that it may not use that Contractor to undertake the Contestable Works. Subject to its dispute rights under clause 45, the Customer must comply with any such notification.
  - 35.6** SA Power Networks does not recommend any Contractor and the Customer must form its own view as to whether any Contractor has the requisite skill and competence to undertake the design and construction of the Contestable Works. The fact SA Power Networks does not reject use of a Contractor under clause 35.5 is not a recommendation to use or endorsement of that Contractor.
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### **36. Design**

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- 36.1** Before construction of the Contestable Works commences, the Customer must provide SA Power Networks with a copy of the proposed design for the Contestable Works.
- 36.2** The proposed design must be based on the Specifications.
- 36.3** Before preparing the proposed design the Contractors undertaking that design must review the Specifications and, to the extent reasonably practicable, satisfy themselves the Specifications are correct. If the Contractors identify any issues with the Specifications these must be raised with SA Power Networks as soon as reasonably practicable.
- 36.4** The Customer must ensure that the Specifications are not provided to any person other than the Contractors.
- 36.5** SA Power Networks has no liability for any loss or costs arising due to a failure by the Customer or Contractors to properly interpret or use any information, plan or data provided by SA Power Networks to the Customer.
- 36.6** The Customer and each Contractor must promptly give SA Power Networks whatever information SA Power Networks may reasonably request from time to time about any proposed design of the Contestable Works submitted to SA Power Networks.
- 36.7** SA Power Networks may reject the design of the Contestable Works if SA Power Networks considers, acting reasonably, the proposed design does not meet the Specifications. If SA Power Networks rejects the design it will notify the Customer and provide its reasons for the rejection. Subject to its dispute rights under clause 45, the Customer must revise the design to address the reasons for rejection and resubmit it to SA Power Networks for review in accordance with this clause 36.
- 36.8** Where SA Power Networks is required to consider the proposed design of the Contestable Works on more than one occasion (because SA Power Networks validly refused to approve the proposed design the first time SA Power Networks' approval was requested) then SA Power Networks may charge the Customer SA Power Networks' reasonable costs of considering each subsequent proposed design (after the first request) at SA Power Networks' standard rates as in force at the relevant time.

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### **37. Performance Bond**

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- 37.1** Prior to requesting a Certificate of Completion the Customer must provide to SA Power Networks an irrevocable and unconditional performance bond in SA Power Networks' favour in form and substance and from a financial institution acceptable to SA Power Networks.
- 37.2** The performance bond must be for the amount (**Nominated Amount**) and term set out in the Offer.
- 37.3** Whenever the uncalled amount of the performance bond is, for any reason, less than the Nominated Amount SA Power Networks may require the Customer to arrange for the issue of additional or replacement bonds so that the total amount of performance bonds held by SA Power Networks equals the Nominated Amount.
- 37.4** The purpose of the performance bond is to secure the performance of the Customer's obligations during the defects liability period under clause 43. If the Customer fails to perform any of those obligations, SA Power Networks may call on the bond at any time and without notice or reference to the Customer and use the proceeds of the bond to reimburse SA Power Networks for the costs of remedying the Customer's failure to comply with those obligations.
- 37.5** The Customer must not seek to restrain or prevent SA Power Networks from calling on any performance bond, the issuer of the bond from paying any amount pursuant to that bond or SA Power Networks from using or applying any amount obtained by SA Power Networks by calling on the bond.
- 37.6** Clause 37.5 does not prevent the Customer bringing a claim requiring repayment of monies called down and used by SA Power Networks on the basis SA Power Networks was not entitled to call upon the performance bond.
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### **38. Construction**

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- 38.1** The Customer and the Contractors undertaking construction of the Contestable Works must ensure that the Contestable Works are constructed in accordance with the Specifications, all Applicable Laws, relevant professional principles and standards (including safety and environmental standards) and otherwise in accordance with the requirements of this Contract.
- 38.2** The Customer must ensure it or its Contractors give all required notifications to Authorities prior to commencing a stage of the Contestable Works for which such a notice is required to be given. The Customer must provide a copy of each such notice to SA Power Networks.
- 38.3** The Customer and the Contractors undertaking construction must:
- 38.3.1** promptly give SA Power Networks whatever information SA Power Networks may reasonably request from time to time about the construction of the Contestable Works;
  - 38.3.2** allow SA Power Networks to inspect the Contestable Works whenever SA Power Networks may reasonably require from time to time during their construction (and if required by SA Power Networks the Contractor must be present during the course of that inspection and answer such questions as are reasonably put to it by SA Power Networks);
  - 38.3.3** allow SA Power Networks to undertake such tests of the Contestable Works as SA Power Networks (acting reasonably) wishes to undertake to assess whether the Contestable Works comply with the Specifications, have successfully passed one or more of the tests referred to in the Specifications (including undertaking verification testing of the testing undertaken under clause 40) and comply with the other requirements of this Contract (and provide such co-operation as SA Power Networks reasonably requires to allow it to undertake those tests).
- 38.4** If any part of the Contestable Works is sealed in an enclosure, covered up or buried before SA Power Networks has undertaken any inspection or test SA Power Networks might wish to undertake, the Customer and its Contractors must open the seal, uncover those Contestable Works or expose the Contestable Works as reasonably required by SA Power Networks to enable it to undertake that inspection or test.
- 38.5** Where SA Power Networks is required to undertake a test or inspection on more than one occasion (because the first time the test or inspection was undertaken the Contestable Works failed the test or inspection or because of some other deficiency in the Contestable Works SA Power Networks, in accordance with good industry practice, requires further tests or inspections) then SA Power Networks may charge the Customer SA Power Networks' reasonable costs of undertaking (as applicable) each subsequent test or inspection (after the first test or inspection) at SA Power Networks' standard rates as in force at the relevant time.
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### **39. General Responsibilities**

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- 39.1** The Customer must ensure:
- 39.1.1** the Contractors are paid all amounts due to them; and

39.1.2 that each Contractor pays its employees and suppliers of goods, services and materials all amounts due to them in respect of the Contestable Works.

**39.2** The Customer and the Customer's Contractors must ensure that none of the Contestable Works encroach on any property outside the boundaries of any of the Easements.

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**40. Electrical Tests**

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**40.1** The Customer must ensure the Contractors undertake the electrical tests set out in the Specifications.

**40.2** When the tests have been undertaken and successfully passed, the Customer must ensure there is provided to SA Power Networks:

40.2.1 a certificate showing the results of those tests; and

40.2.2 a certificate of electrical compliance certifying that every Contractor has completed its portion of the Contestable Works and agrees those works are in a condition ready for energisation.

Each certificate must be signed by the relevant Contractor and must be in the form reasonably required by SA Power Networks from time to time.

**40.3** Where a test is required to be repeated (because the first time the test was undertaken the Contestable Works failed the test or because of some other deficiency in the Contestable Works SA Power Networks, in accordance with good industry practice, requires further tests) and SA Power Networks attends at both the first undertaking of the test and at subsequent undertakings of the test then SA Power Networks may charge the Customer SA Power Networks' reasonable costs of attendance and/or undertaking each subsequent test (after the first test) at SA Power Networks' standard rates as in force at the relevant time.

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**41. Acceptance**

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**41.1** When the Customer considers the Contestable Works are complete it must issue a request to SA Power Networks seeking a Certificate of Completion. The request must be accompanied by the following (unless previously provided to SA Power Networks):

41.1.1 the certificates referred to in clause 40.2;

41.1.2 the performance bond referred to in clause 37;

41.1.3 a certificate signed by the Customer confirming all amounts referred to in clause 39.1.1 have been paid;

41.1.4 a certificate signed by each Contractor confirming compliance with clause 39.1.2.

**41.2** The Customer must provide, and procure that the Contractors provide, promptly to SA Power Networks whatever information SA Power Networks may reasonably request to satisfy SA Power Networks clauses 39.1.1 and 39.1.2 have been complied with. This information may include invoices, receipts or other documents issued by the Customer, Contractors or from the suppliers of goods and materials used in the Contestable Works.

**41.3** Upon receipt of the Customer's request under clause 41.1, SA Power Networks will issue a Certificate of Completion if SA Power Networks (acting reasonably) considers the Contestable Works are complete and SA Power Networks has received each of the documents and instruments referred to in clause 41.1. If SA Power Networks (acting reasonably) considers the Contestable Works are incomplete or SA Power Networks has not received each of the documents and instruments referred to in clause 41.1, SA Power Networks may, at its discretion, issue a Certificate of Completion or refuse to issue that Certificate of Completion.

**41.4** If SA Power Networks refuses to issue a Certificate of Completion it will notify the Customer of the reasons for the refusal and the Customer must address the reasons for refusal as soon as is reasonably practicable. Once the Customer has addressed those reasons the Customer may make a further application for a Certificate of Completion which will be considered by SA Power Networks in accordance with clause 41.3.

**41.5** Where SA Power Networks is required to consider more than one request for a Certificate of Completion (because SA Power Networks validly refused to issue a Certificate of Completion the first time it was requested by the Customer) then SA Power Networks may charge the Customer SA Power Networks' reasonable costs of considering each subsequent request for a Certificate of Completion (after the first request) at SA Power Networks' standard rates as in force at the relevant time.

**41.6** If SA Power Networks issues a Certificate of Completion despite SA Power Networks not having received each of the documents and instruments referred to in clause 41.1, this does not relieve the Customer of its obligations to comply with clauses 37, 39 and 40.

**41.7** The effect of a Certificate of Completion is that risk in, and control of, the Contestable Works will pass to SA Power Networks. A Certificate of Completion:

- 41.7.1 is not a representation by SA Power Networks that the Contestable Works comply with the requirements of the Specifications or this Contract; and
- 41.7.2 does not relieve the Customer of any liability or responsibility if the Contestable Works do not comply with the Specifications or the requirements of this Contract.

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**42. Title to and Risk in the Contestable Works**

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- 42.1** Until the Certificate of Completion is issued the Customer has control of, and all risk in, the Contestable Works. The Customer is responsible for remedying, at its own cost, any defect or deficiency in, or damage to, the Contestable Works and is responsible for any damage caused by the Contestable Works to any other property or person.
- 42.2** Upon the issue of the Certificate of Completion SA Power Networks will assume control of, and risk in, the Contestable Works (but without limiting the Customer's obligations under clause 43) and title to the Contestable Works will (as determined by SA Power Networks) pass to SA Power Networks or Distribution Lessor Corporation. To avoid doubt, no payment is due to the Customer on account of that transfer of title.
- 42.3** The Customer must ensure no mortgages, charges, liens or other encumbrances are created, or arise, over the Contestable Works in favour of any person (which are not discharged as at the time title is to transfer to SA Power Networks) and that good and unencumbered title to the works vests in SA Power Networks or Distribution Lessor Corporation.
- 42.4** The Customer must pay any stamp duty and other taxes which are imposed in respect of the transfer of the ownership of the Contestable Works in accordance with this clause 42 and arrange for any necessary stamping and registration of documents.
- 42.5** The Customer and the Contractors must provide SA Power Networks with whatever documents SA Power Networks reasonably requires from time to time to evidence or further assure its title to the Contestable Works and to confirm the Customer's compliance with clause 42.3. These documents must be in form and substance satisfactory to SA Power Networks (acting reasonably).
- 42.6** The Customer must ensure either that any Intellectual Property Rights in the Contestable Works and in any designs, plans or other documents relating thereto are transferred to SA Power Networks or that SA Power Networks is given a perpetual, irrevocable, transferable, world-wide licence (capable of being sub-licensed) to use those Intellectual Property Rights as required to operate, maintain, upgrade, repair, manage and otherwise utilise the Contestable Works. This clause does not extend to the Intellectual Property Rights of those entities which manufacture or distribute the actual equipment which makes up the Contestable Works in that equipment.
- 42.7** The Customer must ensure such documents are executed or entered into as SA Power Networks reasonably requires to ensure the effective transfer or grant of the Intellectual Property Rights referred to in clause 42.6 and that SA Power Networks is able to utilise and modify all documents the subject of those rights. Such documents required to be entered into may include moral rights waivers by the authors of any design or other documents.
- 42.8** The Customer must ensure that the Contestable Works do not infringe the Intellectual Property Rights of any person and each Contractor must ensure that the portion of Contestable Works undertaken by it does not infringe any such Intellectual Property Rights.

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**43. Defects Liability Period**

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- 43.1** The defects liability period is the period of 24 months from the latter of the issue of the Certificate of Completion or from the date SA Power Networks establishes and energises the connection between the Contestable Works and the Distribution Network.
- 43.2** A defect in the Contestable Works means any faulty workmanship, any defective goods or materials or any non-compliance of the Contestable Works with Applicable Laws, the Specifications or the remaining requirements of this Contract.
- 43.3** If any defect in the Contestable Works is identified during the defects liability period then the Customer must, at SA Power Networks' option:
- 43.3.1 rectify that defect within such reasonable period specified by SA Power Networks and to SA Power Networks' satisfaction; or
- 43.3.2 reimburse SA Power Networks the costs of rectifying the defect.
- 43.4** What is a reasonable time for the purposes of clause 43.3.1 will be determined by SA Power Networks (acting reasonably) having regard to all relevant factors, including any safety and legal issues created by the defect and the immediacy of the threat to the Distribution Network. Where the Customer fails to rectify the defect within the period specified by SA Power Networks (or where SA Power Networks reasonably forms the view the

Customer will not be able to rectify the defect within that period) then SA Power Networks may proceed to undertake the rectification of the defect.

- 43.5** The Customer must reimburse SA Power Networks the reasonable costs SA Power Networks incurs in rectifying a defect (whether pursuant to clause 43.3.2 or 43.4).
- 43.6** Nothing in this clause 43 limits any other rights, powers or remedies SA Power Networks might have against the Customer or the Contractors in respect of any defect.
- 43.7** Upon the expiry of the defects liability period, the Customer and its Contractors must (to the extent permitted by the terms of those warranties) transfer to SA Power Networks all of the right, title, interest and claim the Customer and its Contractors have under any manufacturers' warranties in relation to the plant and equipment making up the Contestable Works. The Customer and the Contractors must execute and provide such documents as SA Power Networks reasonably requires to evidence and effect that transfer.

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#### **44. Insurance**

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- 44.1** The Customer and each Contractor must maintain public liability insurance for not less than \$10 million per occurrence and any of the Customer and Contractors who undertake design work must maintain professional liability insurance of not less than \$5 million per occurrence.
- 44.2** Where requested by SA Power Networks from time to time acting reasonably, the Customer must provide SA Power Networks within such time specified by SA Power Networks acting reasonably:
  - 44.2.1** a certificate of currency for the insurances; and
  - 44.2.2** such other information in respect of the insurance policies and matters relating to them as SA Power Networks requests.
- 44.3** The Customer must promptly notify SA Power Networks whenever an event occurs which gives rise to, or which might give rise to, a claim under an insurance maintained by the Customer or a Contractor for the purposes of this clause 44.
- 44.4** The Customer must notify SA Power Networks if any insurance policy is cancelled, or otherwise ceases to be in force, or if the Customer has failed to ensure insurance is maintained and obtained in accordance with the requirements of this clause 44.
- 44.5** Where, for any period, the Customer or a Contractor has failed to maintain the insurance required by this clause 44 then, at its discretion, SA Power Networks may at the Customer's cost obtain and maintain that insurance and the Customer must reimburse SA Power Networks the reasonable costs incurred in so obtaining and maintaining that insurance.
- 44.6** If SA Power Networks makes a claim for payment of damages, losses, expenses or costs against the Customer for which insurance proceeds may be available, the Customer must make a claim on its insurance to meet that claim by SA Power Networks unless:
  - 44.6.1** the Customer will be able to meet the claim from its own financial resources (without relying on insurance); or
  - 44.6.2** the amount of the claim is less than any excess or deductible applicable under the relevant policy.

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#### **45. Disputes**

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Where SA Power Networks refuses to approve a Contractor proposed to be appointed by the Customer or refuses to approve a design under clause 36, and the Customer disagrees with SA Power Networks' refusal to give approval, the Customer may refer the matter to the Technical Regulator.

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#### **46. Rebates**

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Where the Customer is entitled under Applicable Laws to payment of a rebate in respect of the Contestable Works, then that rebate (once the entitlement to it is earned) will be set off against any amounts due by the Customer to SA Power Networks under this Contract. To the extent the amount is not able to be set-off, SA Power Networks will pay the rebate directly to the Customer.

## PART 3 – EMBEDDED GENERATION

This Part 3 is only relevant where the Customer has installed or proposes to install at the Supply Address an Embedded Generator (that is a generator which connects to the Distribution Network and is capable of generating electricity which can be supplied into the Distribution Network).

### 47. Application of this Part 3

- 47.1** This Part 3 applies if the Works are being undertaken to establish and upgrade a Connection to a Supply Address at which an Embedded Generator is, or is to be, located.
- 47.2** Under this Contract the Customer may not install at the Supply Address an Embedded Generator with a greater capacity. If the Customer wishes to do so, it must make a separate application to SA Power Networks and different contractual arrangements, appropriate to that capacity of Embedded Generator, will apply.
- 47.3** In this Contract:
- 47.3.1 an “Embedded Generator” means a generation system connected to the Customer’s electrical installations at the Supply Address, comprising one or more Generating Units and the associated control and protection equipment;
- 47.3.2 a “Generating Unit” means the generator of electricity and all the related equipment necessary to its functioning as a single entity;
- 47.3.3 “Small Embedded Generation System” means a Generating System that complies with the requirements of AS 4777.

### 48. Undertaking of Work Related to the Embedded Generator

- 48.1** The Customer must engage a suitably qualified designer or an accredited installer (full or provisional) to undertake the design and installation of the Embedded Generator. Where the Embedded Generator utilises inverters compliant with AS4777 an “accredited installer” is a person who holds a Clean Energy Council accreditation which covers competence in design and/or installation of generators.
- 48.2** Prior to commencing any work to install the Embedded Generator the Customer must complete and submit to SA Power Networks for approval and have approved such documentation as SA Power Networks reasonably requires in accordance with its standard practices as applicable from time to time to the assessment of Embedded Generators.

### 49. Technical Standards For Embedded Generator

- 49.1** The Customer must ensure that all electrical work in relation to the Embedded Generator and any electrical installations to which it connects or which operate in conjunction with it is undertaken only by a licensed electrical contractor under the *Plumbers, Gas Fitters and Electricians Act 1995*.
- 49.2** The Embedded Generator (and the work undertaken in relation to it) must comply with:
- 49.2.1 the requirements of the “Engineering Report” prepared for the Embedded Generator (whether prepared by the Customer and approved by SA Power Networks or prepared by SA Power Networks);
- 49.2.2 the Australian Standards and other requirements listed in, as applicable to the Embedded Generator, “SA Power Networks Customer Guide to Large Embedded Generation Network Connection” or “SA Power Networks Customer Guide to Small Embedded Generation Network Connection” (which guides may be found at [www.sapowernetworks.com.au](http://www.sapowernetworks.com.au));
- 49.2.3 the SA Power Networks “Service and Installation Rules”;
- 49.2.4 the requirements of the Act and all other Applicable Laws; and
- 49.2.5 such other reasonable requirements (including as to the installation of additional equipment as part of or to operate in conjunction with the Embedded Generator) as imposed by SA Power Networks having regard to the type of Embedded Generator and the need to preserve the safe and reliable operation of the Distribution Network.
- 49.3** The Customer must ensure the Licensed Electrical Contractor engaged by the Customer provides to SA Power Networks, promptly after their issue, all certificates of compliance under the Act issued by the Licensed Electrical Contractor in relation to the Embedded Generator and any other electrical installations at the Supply Address which operate in conjunction with the Embedded Generator.

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**50. Testing**

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- 50.1** The Embedded Generator may not be Connected to the Distribution Network (including as a result of the Supply Address being Connected to the Distribution Network) until SA Power Networks has undertaken such inspection of the Embedded Generator as SA Power Networks reasonably requires to satisfy SA Power Networks that the Embedded Generator will not adversely affect the Distribution Network and is otherwise compatible with it and until any testing required under clause 50.2 has been completed and successfully passed.
- 50.2** The Customer must, in accordance with SA Power Networks' reasonable directions, undertake such testing as SA Power Networks reasonably requires to satisfy SA Power Networks that the Embedded Generator will not adversely affect the Distribution Network and is otherwise compatible with it. Such testing must be undertaken by the Customer at the Customer's cost. The relevant tests may, without limitation, include tests of protection systems that impact on power system security, tests of the power quality of the electricity generated and tests of control and monitoring.
- 50.3** Where an inspection or test shows the Embedded Generator does not comply with the requirements of this Contract or otherwise may adversely affect the Distribution Network then the Customer must, at its cost, arrange for any necessary remedial work to be undertaken and notify SA Power Networks once this is completed. SA Power Networks will then undertake such further inspection and require the Customer to undertake such further testing (in accordance with clause 50.2) as SA Power Networks reasonably requires. The Customer must pay SA Power Networks its reasonable costs of undertaking such inspection and testing at SA Power Networks' standard rates as in force at the relevant time. This clause 50.3 will continue to apply until all inspections and tests have been satisfactorily completed.

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**51. Retailer Arrangements and Relevant Agent**

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- 51.1** The Embedded Generator may not be Connected to the Distribution Network (including as a result of the Supply Address being Connected to the Distribution Network) until SA Power Networks has received a written confirmation from a Retailer that it has entered into a Contract with the Customer to purchase the electricity delivered into the Distribution Network by that Embedded Generator.
- 51.2** If required by Applicable Laws (specifically the *Electricity (General) Regulations 2012*) you must ensure a relevant agent (as defined in those regulations) is appointed for the Embedded Generator and the Supply Address.

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**52. Metering**

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- 52.1** There must be installed at the Supply Address a metering installation which is either a bi-directional meter that measures net Watts and Voltage Amperes for both import and export electricity flows or interval type metering which enables the gross measurement of Watts and VARh for both import and export energy flows.
- 52.2** The Embedded Generator must remain locked-off, and may not be Connected to the Distribution Network, until SA Power Networks has notified the Customer it is (acting reasonably) satisfied with the metering installation installed at the Supply Address.