



## **Summary of Ausgrid's Standard Form Customer Connection Contract - October 2001**

**(AS AT 23 December 2010)**

The following is a summary of the terms and conditions of Ausgrid's Standard Form Customer Connection Contract – October 2001 ("**Connection Contract**") as at 23 December 2010. It has been prepared for the purposes of clause 4 of the Market Operations (Arranged Connection Services) Rule (No 1 of 2001) (made under section 63C(g) and (j) of the Electricity Supply Act 1995 (NSW) ("**the Act**").

This is a summary only and should not be relied upon as a substitute for reading the Connection Contract.

### **1. TO WHICH AUSGRID CUSTOMERS DOES THE CONNECTION CONTRACT APPLY?**

The Connection Contract applies to any person (whether that person is a new customer or an existing customer of Ausgrid) who owns or occupies premises within Ausgrid's distribution district, provided that person:

- (a) is not entitled to be provided with Customer Connection Services under a wholesale market access regime; and
- (b) has not entered into a separate negotiated customer connection contract with Ausgrid.

## 2. WHAT DOES THE CONNECTION CONTRACT DO?

The Connection Contract governs the terms and conditions upon which Ausgrid will provide a customer with:

- (a) Customer Connection Services;
- (b) Miscellaneous Services and Monopoly Services; and
- (c) any Customer Requested Relocation Services, for a customer's premises located in Ausgrid's distribution district.

**Customer Connection Services** means any of the following services:

- (a) the connection of any premises to Ausgrid's distribution system;
- (b) an increase in the maximum capacity of any premises' existing connection to Ausgrid's distribution system; and
- (c) the maintenance of the capacity for electricity to be supplied to any premises from Ausgrid's distribution system.

**Miscellaneous Network Services** means the services identified as miscellaneous services and the services identified as monopoly services in the Electricity Distribution Pricing determination by the Independent Pricing and Regulatory Tribunal dated June 2004 or any replacement determination.

**Customer Requested Relocation Services** means the removal or relocation of any service line at a customer's request.

## 3. WHEN DOES THE CONNECTION CONTRACT COMMENCE?

If a customer's premises are already connected to Ausgrid's distribution system, the Connection Contract commenced on 1 October 2001 and each subsequent amendment to the Connection Contract takes effect from the date of the amendment.

If a customer applies (or someone applies on their behalf) for connection of the customer's premises at any time after 1 October 2001, the Connection Contract commences on the date of the customer's application for connection. Each subsequent amendment to the Connection Contract takes effect from the date of that amendment.

## 4. WHEN DO THE CUSTOMER CONNECTION SERVICES COMMENCE?

Provided a customer has complied with the pre-conditions set out in the Connection Contract (see below), the Customer Connection Services under the Connection Contract will commence:

- (a) on 1 October 2001, for premises already connected to Ausgrid's distribution system as at that date; or
- (b) on a date specified by Ausgrid, where those premises are (or are proposed to be) connected at any time after 1 October 2001.

## 5. SERVICE AND INSTALLATION REQUIREMENTS

There are a number of requirements which must be met before Ausgrid is obliged to provide Customer Connection Services under a Connection Contract, including that:

- (a) the customer provide satisfactory proof that the customer owns or occupies the premises;
- (b) the customer provides any details required by Ausgrid of the electrical installation and electrical load for the customer's premises;
- (c) the customer has a customer supply contract for the customer's premises with a retail supplier;
- (d) where the customer is required to give security to Ausgrid, that security has been given; and

- (e) the customer's premises and the customer's connection to Ausgrid's distribution system comply with:
- (i) the requirements set out in the Service & Installation Rules of NSW;
  - (ii) the customer's responsibilities identified in Ausgrid's Customer Installation Safety Plan and Bush Fire Risk Management Plan;
  - (iii) the National Electricity Rules, the Market Operation Rules and any applicable Metrology Procedures made under the National Electricity Rules or the Market Operations Rules; and (iv) any other reasonable requirements Ausgrid imposes including the execution of necessary easements and leases and, where required by Ausgrid, the preparation of an Installation Safety Management Plan.

The contract also requires the customer to ensure that:

- Ausgrid is provided with up to date information about the customer's electrical installation and electrical load and that the customer's premises and connection continue to comply with the requirements specified in (a) - (e) above.
- the customer's installation is maintained so that it operates safely and in accordance with the customer's responsibilities identified in Ausgrid's Customer Installation Safety Plan and Bush Fire Risk Management Plan.
- Ausgrid's authorised officers are provided with safe access to the customer's premises for any purposes relating to the supply of electricity.

## **6. REQUIREMENTS TO ENABLE CUSTOMER CONNECTION SERVICES TO BE PROVIDED AND AN ADEQUATE SUPPLY OF ELECTRICITY TO BE MADE**

The Act and the Connection Contract entitle Ausgrid to impose certain requirements upon a customer, to enable Customer Connection Services and an adequate supply of electricity to be made to the customer's premises, at the customer's own cost.

These include a customer installing, providing, using, housing or keeping safe certain apparatus and equipment to:

- (a) prevent or minimise adverse effects on the supply of electricity to other customers;
- (b) allow enough electricity to be supplied to meet the customer's requirements;
- (c) measure the quantity of electricity being supplied to the customer (or by the customer back to the distribution network);
- (d) maintain safety; and
- (e) maintain the accuracy of the customer's electricity account.

## **7. WORK ON AUSGRID'S DISTRIBUTION SYSTEM**

A customer may be required to contribute towards the costs incurred or to be incurred by Ausgrid in extending or increasing the capacity of Ausgrid's distribution system to enable Ausgrid to provide Customer Connection Services to that customer.

If Ausgrid requires a customer to make a contribution as noted above, that customer may choose whether Ausgrid (if Ausgrid is available to undertake the work) or a person accredited by Ausgrid undertakes the work.

## **8. FEEDING ELECTRICITY BACK INTO AUSGRID'S DISTRIBUTION SYSTEM**

A customer must not make a connection to Ausgrid's distribution system or change an existing connection, so that electricity produced at the customer's premises can flow back into Ausgrid's distribution system unless Ausgrid has first given its approval. Approval will not be withheld where this

would contravene the Act or any other law. Ausgrid may also require a customer to enter into a separate connection agreement if a generation unit is connected to its network.

## **9. CHARGES**

Ausgrid does not impose any separate charge upon a customer for providing Customer Connection Services under the Connection Contract.

Ausgrid will, however, charge a customer for each miscellaneous service, monopoly service and Customer Requested Relocation Service provided to a customer. These charges are set out in pricing documents published by Ausgrid from time to time, and are currently set out in Ausgrid publication "ES 5 Charges for Network Miscellaneous & Monopoly Services & Emergency Recoverable Works".

Ausgrid also imposes network use of system charges for the use of its distribution system. These are usually imposed on a customer's retailer, but Ausgrid reserves the right to bill them directly to a customer (except to the extent that doing so would be contrary to any obligations imposed on Ausgrid under the National Electricity Rules or the Market Operations Rules).

Where a customer is separately liable under a customer supply contract to pay the customer's retail supplier for any services provided under the Connection Contract (at the charges provided for in the Connection Contract), the customer will not be liable to pay Ausgrid for those services under the Connection Contract. The customer must, however, provide Ausgrid with all information and assistance reasonably required by Ausgrid to ensure that the customer's retail supplier passes on all payments made by the customer to Ausgrid.

Where the customer is not separately liable to pay the customer's retail supplier as outlined above, the customer will be liable to pay Ausgrid for services provided to the customer under the Connection Contract in accordance with any bills issued to the customer under the Connection Contract.

## **10. BILLS**

### **10.1 Issuing bills**

Ausgrid may issue a customer with a bill for any services provided under the Connection Contract at any time, however bills are usually issued immediately before, or after the services are provided to the customer.

Ausgrid may issue a customer with a bill for network use of system charges incurred in respect of electricity supplied to the customer's premises by the customer's retail supplier at any time on or after the electricity is supplied to the customer.

### **10.2 Paying bills**

A customer will only be required to pay charges included in a bill if that charge, or the basis for calculating that charge, is set out in an Ausgrid pricing publications such as Ausgrid's publications "ES 5 Charges for Network Miscellaneous & Monopoly Services & Emergency Recoverable Works" or "Network Price List".

The customer must pay by the date shown on the bill.

### **10.3 If a customer doesn't pay on time**

If a customer does not pay a bill on time in full, Ausgrid may require the customer:

- (a) to pay interest on the amount outstanding; and
- (b) to pay Ausgrid's actual costs of recovering amounts the customer owes.

This right does not affect Ausgrid's right to disconnect the customer's premises.

The interest rate will not exceed the rate prescribed under section 101(2) of the *Civil Procedure Act 2005 (NSW)* for payment of interest on a judgment debt and will start accruing the day the payment is due.

## **11. SECURITY FOR PAYMENT**

Ausgrid may require a customer, at any time, to provide security, top-up security, or additional security in certain circumstances, and in accordance with any relevant determination by the Independent Pricing and Regulatory Tribunal ("IPART").

The Connection Contract sets out the form and amount of security Ausgrid may request, when Ausgrid may use the security and when the security may be returned to the customer.

## **12. GUARANTEED CUSTOMER SERVICE STANDARDS**

Under the Connection Contract, Ausgrid undertakes to meet guaranteed customer service standards relating to:

- (a) providing a customer with Customer Connection Services by any agreed date;
- (b) giving a customer notice before Ausgrid interrupts the supply of electricity to a customer's premises;
- (c) repairing faulty street lighting where Ausgrid is required to do so;
- (d) punctuality in keeping appointments;
- (e) giving a customer notice before Ausgrid disconnects that customer's premises;
- (f) providing a customer with notice after Ausgrid has disconnected that customer's premises;
- (g) providing a telephone service for customer queries; and (h) connecting a new customer's premises to Ausgrid's distribution system within certain time periods.

## **13. OTHER STANDARDS OF SERVICE AUSGRID WILL COMPLY WITH**

Under the Connection Contract, Ausgrid proposes to provide minimum standards of service relating to:

- (a) quality of services;
- (b) reliability of services;
- (c) response times to a customer's problem or enquiry;
- (d) commencement of work requested;
- (e) commencement of work to remedy a disruption to a service;
- (f) notice of work that will disrupt a service; and
- (g) payment of compensation arising under guaranteed customer service standards.

## **14. AVAILABILITY OF AND INTERRUPTIONS TO SUPPLY**

Ausgrid does not supply electricity to the customer under the Connection Contract. The customer's retail supplier is contractually responsible for supplying electricity to the customer under a customer supply contract. The customer's retail supplier supplies electricity to the customer through Ausgrid's distribution system.

The supply of electricity by the customer's retail supplier through Ausgrid's distribution system may not be continuous and may be subject to fluctuations, distortions (in voltage, wave or frequency) or interruptions due to other factors such as power system security and system operations requirements.

In addition to the factors referred to above, Ausgrid may also interrupt the supply of electricity to a customer's premises for any of the following purposes:

- (a) inspecting, testing, repairing, replacing, adjusting or removing equipment installed or used for the purposes of the Connection Contract;
- (b) maintaining the safe and efficient operation of Ausgrid's distribution system;
- (c) to comply with power system security and system operation requirements imposed by the National Electricity Rules; and
- (d) to deal with an emergency, which includes (but is not limited to) excess load in Ausgrid's distribution system or a reduction in supply available from the transmission system.

If supply continuity and consistency are important to a customer then the customer should bring this to the attention of the customer's retail supplier, consider relevant Ausgrid publications such as Electricity Network Operation Standards and obtain advice from appropriately qualified persons about any options available to the customer to achieve higher levels of supply continuity.

## **15. DISCONNECTING A CUSTOMER'S PREMISES**

Ausgrid may refuse to connect a customer's premises to its distribution system or disconnect a customer's premises from its distribution system (provided, in the case of disconnection, that Ausgrid (or the customer's retail supplier) has fulfilled certain obligations placed on it in relation to disconnection) if any of the following happen:

- (a) security required is not provided by the customer;
- (b) the customer does not pay what the customer owes when the customer is supposed to pay;
- (c) the customer does not give one of Ausgrid's authorised officers access to the premises when the customer is supposed to under the Connection Contract or under the Act or Regulation or the Electricity (Consumer Safety) Act 2004;
- (d) the customer or someone acting with the customer's authority obstructs one of Ausgrid's authorised officers who is carrying out his or her functions under the Act or Regulation or the Electricity (Consumer Safety) Act 2004;
- (e) the customer breaches the Connection Contract;
- (f) the customer no longer has a customer supply contract for the customer's premises or the customer has vacated the premises; or
- (g) the customer's retail supplier tells Ausgrid that, under the customer's customer supply contract, electricity supply to the customer's premises is to be discontinued.

A customer may also request disconnection of the customer's premises from Ausgrid's distribution system.

## **16. LAST RESORT SUPPLY**

If last resort supply arrangements come into force in respect of the supply of electricity to a customer at the customer's premises, then Ausgrid (or any person nominated by Ausgrid) is authorised to transfer the customer to the customer's retailer of last resort and to take any other action necessary to implement or arrange those last resort supply arrangements.

**Last resort supply arrangement** means, for a customer, the retail supplier to whose retail supplier's licence a retailer of last resort's endorsement is attached for that customer (or for that category of customer, or for the supply district in which that customer's premises are located).

## **17. REVIEWING AUSGRID'S DECISIONS, CUSTOMER DISPUTES AND COMPLAINTS**

The Connection Contract sets out how a customer may seek to have a decision of Ausgrid reviewed by Ausgrid and how to have a complaint or dispute arising out of the Connection Contract referred to either the Energy and Water Ombudsman NSW (in the case of small retail customers) or for mediation (in the case of all other customers).

## **18. LIABILITY UNDER THE CONNECTION CONTRACT**

The Connection Contract sets out the extent to which Ausgrid's liability under the Connection Contract is limited, to the fullest extent permitted by law, including limiting Ausgrid's liability for:

- (a) breach by Ausgrid of any warranties implied by the Trade Practices Act (until 31 December 2010);
- (b) failure to comply with any consumer guarantees under the Australian Consumer Law (from 1 January 2011);
- (c) for any loss the customer may suffer arising from:
  - (i) any fluctuation, distortion or interruption to the supply (by the customer's retail supplier) of electricity to the customer's premises or from any such supply not being or remaining continuous;
  - (ii) the customer's retail supplier discontinuing supply of electricity to the customer;
  - (iii) Ausgrid interrupting the supply of electricity by the customer's retail supplier to the customer's premises;
  - (iv) the customer's control and use of electricity on the customer's side of the premises including the supply of electricity to the customer's premises or to Ausgrid's distribution system from any generating system or complying generator located at the customer's premises;
  - (v) any act or omission by Ausgrid in relation to the performance or exercise of a systems operations function;
  - (vi) any generating system or complying generator located at the customer's premises failing to supply electricity to the customer's premises or to Ausgrid's distribution system.

Ausgrid is not liable for any indirect, economic, special or consequential losses. Liability for any other losses suffered by the customer (not separately excluded as outlined above) is capped at the lesser of:

- (a) the total amount billed to the customer's retail supplier during the year that Ausgrid's breach, act or omission occurred; or
- (b) \$5,000 (GST inclusive, if any), for all claims the customer makes in any one calendar year.

## **19. CUSTOMER INFORMATION**

The customer consents and acknowledges to Ausgrid using and disclosing customer information for the following purposes (to the extent that the use or disclosure is permitted by law):

- (a) to verify the customer's credit worthiness;
- (b) to recover amounts that the customer owes under the Connection Contract;
- (c) for Ausgrid to carry out its responsibilities or exercise its rights under the Connection Contract (including without limitation offering and providing electricity and related products and services, invoicing and managing its relationship with the Customer);
- (d) for Ausgrid to obtain advice, assistance, products or services in relation to its business (including without limitation legal, engineering, accounting and information technology services);

- (e) any national electricity market process or system operating under the National Electricity Rules, the market operations rules or any regulation or any statutory instrument (including, without limitation, registration or transfer of registration of a Registered Participant as a person who is financially responsible for any customer Supply Point or the settlement of transactions or payments under the National Electricity Rules); or
- (f) where the law otherwise permits, authorises or requires disclosure of customer information.
- (g) The customer may obtain information about Ausgrid's practices in relation to personal information, including how to seek access to their information, opt out or make a complaint by accessing Ausgrid's privacy policy which is at: <http://www.ausgrid.com.au/Common/About-us/Privacy-Policy.aspx>

## **20. EXEMPT PERSON**

If a customer is an exempt person then the customer must adopt and comply with any reasonable standards determined by Ausgrid for the safe and efficient connection (whether direct or indirect) of:

- (a) any infrastructure system owned or controlled by the customer to Ausgrid's distribution system; and
- (b) any infrastructure system to any distribution system owned or controlled by the customer.

**Exempt person** means a person who:

- (a) owns or controls a distribution system and who is exempt by regulation from the operation of section 13 of the Act; or
- (b) has arrangements for the supply of electricity which are exempt by regulation from the operation of section 98 of the Act, due to the electricity being generated by means of one or more generating systems specified in the Regulation.