

# **Applications and Queuing Policy**

# **Western Power Corporation**

ABN 38 362 983 875

{Outline: This applications and queuing policy is included in Western Power's access arrangement in accordance with section 5.1 of the Code. It is based on the model policy set out in Appendix 2 of the Code.}

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# 1. Interpretation

#### 1.1 Definitions

In this applications and queuing policy, unless the contrary intention is apparent:

"access arrangement" means the current access arrangement approved in respect of the network under the Code.

"access contract number" means the unique identifier given to each access contract by Western Power.

"access offer" has the meaning given in clause 13.1.

"Act" means the Electricity Industry Act 2004.

"applicant" means an applicant under this applications and queuing policy for an access contract and includes a prospective applicant.

"application" means an access application under this applications and queuing policy (as amended under this applications and queuing policy) and includes any additional information provided by the applicant in relation to the access application.

"bypass", in relation to an *application* ("bypassed application"), means that the *first come first served* principle is not applied in respect of the *bypassed application*.

"capacity", with regards to a part of the *network* (including a *contracted point*), refers to the maximum rate at which electricity can be transported thought that part of the *network* in accordance with *good* electricity industry practice.

"capital contributions policy" means the capital contributions policy in the access arrangement.

"class 1 application" has the meaning given to it in clause 3.2.

"class 2 application" has the meaning given to it in clause 3.3.

"class 3 application" has the meaning given to it in clause 3.4.

"CMD", or "contract maximum demand", for a contracted point, means the maximum rate at which a user is permitted to transfer electricity out of the network at the contracted point, being either:

- (a) the amount specified in the *user's* access contract from time to time; or
- (b) if no amount is specified the *user's access contract*, the maximum rate of electricity permitted to be transferred though the *connection assets* under the *technical rules*.

"Code" means the Electricity Networks Access Code 2004.

"competing", in relation to two or more *applications*, means that the provision of the *covered service* sought in one *application* may impede Western Power's ability to provide the covered services that are sought in the other *applications*.

"confidential information" means

- (a) in the case of information disclosed by an *applicant* or a disclosing person to Western Power, in or in connection with, an *application*, information which the *disclosing person* (acting as a *reasonable and prudent person*) has identified as being commercially sensitive or confidential; and
- (b) in the case of information disclosed by Western Power to an *applicant* or a *disclosing person*, in connection with an *application*, information which Western Power (acting as a *reasonable and prudent person*) has identified as being commercially sensitive or confidential.
- "connection contract" is the type of access contract that provides the user with a connection service only.
- "contract commencement date" means the date on which an access contract commences.
- "contract termination date" means the date of termination of an access contract.
- "contracted point" means an *exit point* or an *entry point* identified or to be identified as such in an *access contract*.
- "contribution" means any contribution applicable under the capital contributions policy.
- "controller" means a person who owns, operates or controls (or will own, operate or control) *facilities* and *equipment* at a *contracted point* and who is specified by an a*pplicant* in an a*pplication* in respect of the *contracted point*.
- "Customer Transfer Code" means the Electricity Industry Customer Transfer Code 2004, made under section 39(2a) of the Act in respect of the matter referred to in section 39(2)(b) of the Act, and includes all rules, policies or other subordinate documents developed under the *Customer Transfer Code*.
- "customer transfer request" has the meaning given to that term in the Customer Transfer Code.
- "disclosing person", in relation to an *application*, means a person who discloses *confidential information* to Western Power in, or in connection with, an *application*.
- "dormant application" means an *application* that was lodged by the *applicant* on a date that is more than 6 months before the date on which Western Power is considering the *application* under clause 9.6 and in respect of which Western Power has not made an access offer.
- "dormant access offer" means an access offer, not signed by the applicant, that was given to an applicant on a date that is more than 3 months before the date on which Western Power is considering the access offer under clause 15.4.
- "DSOC" or "declared sent out capacity", for a *contracted point*, means the maximum permitted rate at which a *user* is permitted to transfer electricity into the *network* at the *contracted point*, being either:
- (a) the amount specified in the *user's* access contract from time to time; or
- (b) if no amount is specified the *user's access contract*, the maximum rate of electricity permitted to be transferred through the *connection assets* under the *technical rules*.
- "electricity transfer contract" means a type of access contract that provides the user with an entry or exit service, or both, and, if applicable, a connection service.

- "entry service" means a *covered service* provided by Western Power at a *contracted point* under which the *user* may transfer electricity into the *network* at the *contracted point*.
- "exit service" means a *covered service* provided by Western Power at a *contracted point* under which the *user* may transfer electricity out of the *network* at the *contracted point*.
- "first come first served" means that Western Power will process an application with earlier priority before an application with later priority (where it is not possible or practical to process them concurrently), and that the capacity sought in an application with earlier priority will be deemed to have been reserved during the period in which the application is being processed, for the purposes of processing any competing application with later priority. This may result in Western Power delaying making an access offer to the applicant with later priority until after the applicant with earlier priority has entered into an access contract.
- "initial response" means the initial response of Western Power to an *applicant* under clause 11.1 in relation to an *application*.
- "interconnection works agreement" means a type of contract under which a *user* agrees to pay a *contribution* to Western Power for the performance of *works*, and which includes terms dealing with Western Power's and the *user*'s rights and obligations in relation to the *contribution* and the *works*.
- "law" means "written laws" and "statutory instruments" as defined in the Code, orders given or made under a written law or statutory instrument as so defined or by a government agency or authority, Codes of Practice and Australian Standards deemed applicable under a written law and rules of the general law including the common law and equity.
- "lodgement fee" means the fee specified under clause 6.
- "Metering Code" means a code made under Section 39(1) of the *Act* in respect of a matter referred to in Section 39(2)(a) of the *Act* and includes any rules or agreements developed under the Metering Code.
- "metering equipment" means equipment to measure and record electricity as transferred to or from the network at a contracted point, which may include the measurement of the rate of transfer and the quantity and quality of the transferred electricity.
- "network" means those parts of the SWIS that are owned, operated or owned and operated by the Western Power networks business in respect of which an application is made under this applications and queuing policy.
- "NMI" or "National Market Identifier", is a brand of UMI used by Western Power.
- "priority", in relation to an application, means the priority that the applicant has, as against any other applicant with a competing application, to obtain access to covered services.
- "project" means a project identified in a tender notice.
- "queue" means a first come first served queue described in clauses 8.1(c) to 8.1(d).
- "queuing rules" means the principles described in clauses 8.1(b) to 8.1(d) that apply to determine the priority of an application.

"reference service" means a covered service designated in Western Power's access arrangement as a reference service (as defined by the Code).

"retailer" has the meaning given to it in the Customer Transfer Code.

"services end date" means, in respect of a *contracted point*, the date on which Western Power ends the provision of *covered services* to the *user* in respect of that *contracted point*.

"services start date" means, in respect of a *contracted point*, the date on which Western Power commences providing *covered services* to the *user* in respect of that *contracted point*.

"**signed**" by Western Power or the *applicant* means duly signed or otherwise executed by or on behalf of all persons who comprise Western Power or the *applicant*, as the case may be.

"spare capacity" means the *capacity*, from time to time, of the network, as configured at the time of an *application*, to provide the covered services sought in the *application*, having regard to Western Power's contractual obligations in respect of the network.

"System Operator" for the *network* means, unless the *Technical Rules* provide otherwise, the person or persons who:

- (a) operate and control the system operation control centre; or
- (b) where there is no system operation control centre is responsible for the control of the *network* through monitoring, switching and dispatch; or
- (c) where the system operation control centre and another party are both responsible for the control of the *network* through monitoring, switching and dispatch perform either (a) or (b).

"UMI" or "Unique Market Identifier" means the unique identifier assigned to the meter at a contracted point.

"works", with regards to *covered services* sought by an *applicant*, means all works that Western Power is required to undertake to provide the *covered services* to the *applicant*, including works associated with:

- (a) augmentation of connection assets; and
- (b) augmentation of shared assets; and
- (c) alternative options.

"wholesale market participant" means a person who, at a time after market commencement (as defined in the *Wholesale Electricity Market Rules*) is a market participant (as defined in the *Wholesale Electricity Market Rules*).

"Wholesale Electricity Market Rules" means the rules made pursuant to the Electricity Industry (Wholesale Electricity Market) Regulations 2004.

"workers" of a person means the directors, officers, servants, employees, agents, sub-contractors and consultants of the person.

# 1.2 Interpretation

- (a) Unless the *contrary* intention is apparent, or unless the term has been redefined in clause 1.1, a term with a defined meaning in the *Code* has the same meaning in this applications and queuing policy.
- (b) Unless the contrary intention is apparent:
  - (i) a rule of interpretation in the Code; and
  - (ii) the Interpretation Act 1984,

apply to the interpretation of this applications and queuing policy.

(c) A reference to Western Power means a reference to the *network business* of Western Power.

# 1.3 Transition of prior applications

- (a) To the extent permitted by *law*, the *queue* is continuous before and after the current *access* arrangement period.
- (b) To the extent permitted by *law*, an application made prior to the current access arrangement period shall be deemed to have been made under this applications and queuing policy, with the same priority as the initial application.
- (c) To the extent permitted by *law*, for the purposes of the clause related to timeframes in this applications and queuing policy only, an application made prior to the current access arrangement period shall be deemed to have been made on the day the current access arrangement period commences.

#### 1.4 Applications to be made in good faith

- (a) An applicant who makes an application must do so expecting in good faith to proceed to a signed access contract.
- (b) Western Power and an applicant must act in good faith with regard to each other in regard to an application.

# 1.5 Application of this policy

Any reference to an application for a covered service in this applications and queuing policy also refers to:

- (a) an increase in capacity of an existing covered service; and
- (b) a material change in the technical characteristics of *facilities and equipment connected* at an existing *contracted point*.

# 1.6 Types of covered service

- (a) This *applications and queuing policy* specifically applies to the most commonly sought *covered services*, which are:
  - (i) an exit or entry service; or

- (ii) a connection service; or
- (iii) both.
- (b) Western Power and the *applicant* must act in accordance with the principles laid out in this *applications and queuing policy*, as far as they are applicable, when a *non-reference service* (other than a *connection service*) is sought by the *applicant*.

# 2. The application process

2.1 Only one electricity transfer contract per contracted point

Each *contracted point* must be included in one and only one *electricity transfer contract* to allow the transfer of electricity at that *contracted point*.

2.2 Must be a wholesale market participant to transfer electricity

An *applicant* who seeks an *electricity transfer contract* must be, or intend to be (providing reasonable proof of intent), a *wholesale market participant* at the time the electricity transfer is to take place.

- 2.3 Requested capacity must match actual requirement
  - (a) An applicant who seeks an exit or entry service at a contracted point must not apply for a greater capacity than is reasonably required by the facilities installed, or to be installed within a reasonable period, at the contracted point.
  - (b) An applicant who seeks a connection service at a contracted point must not apply for a greater capacity than is reasonably required by the facilities installed, or to be installed within a reasonable period, at the contracted point, except:
    - (i) as relates to any ensuing connection asset only (not any shared asset); and
    - (ii) where the connection asset will be solely for the use of the applicant.
- 2.4 Applying for a new connection

{Note: Several examples of application processes are shown in Schedule 1.}

Western Power must not energise a new contracted point until:

- (a) the *facilities* at the *contracted point* have been constructed in accordance with the *Technical Rules*; and
- (b) an application has been lodged for a connection service to establish a new contracted point;
  and
- (c) an application has been lodged for at least one of:
  - (i) a new entry service; or
  - (ii) an *exit service*

at the contracted point; and

- (d) any costs payable to Western Power under this *applications and queuing policy* have been paid; and
- (e) an *electricity transfer contract* has been *signed* by an *applicant* for the *entry* or *exit service* (or both) and become unconditional; and
- (f) if required by Western Power, acting as a *reasonable and prudent person*, a *connection contract* has been *signed* by an *applicant* for the *connection service* and become unconditional; and
- (g) if required by Western Power under or otherwise by virtue of the *capital contributions policy*, an *interconnection works agreement* has been *signed* by an *applicant* for the *connection service* and become unconditional; and
- (h) any contribution payable under the capital contributions policy has been, or is being, paid, as determined under the capital contributions policy; and
- (i) Western Power has completed all *works* that are required to connect the new facilities and equipment; and
- (j) Western Power has installed *metering equipment* in accordance with the *Metering Code*.

{Note: The connection service and the entry or exit service may be sought by the same applicant, or by different applicants. For example, the applicant for a connection service for new consumer's facilities might be the owner or developer of the facilities, or that person's nominated representative (for example a licensed electrician or registered engineer as appropriate, or the owner's chosen retailer). The associated exit service would generally be sought by the owner's chosen retailer.}

#### 2.5 Supplementary matters apply

Western Power and the *applicant* must, in accordance with section 5.28 of the Code, comply with any provisions of the *supplementary matters* relating to this *applications and queuing policy*.

#### 3. Classes of application

# 3.1 Customer transfer

An *incoming user* may lodge a *customer transfer request* with Western Power. With respect to the *customer transfer request*:

- (a) Western Power, *incoming user* and *outgoing user* must comply with the *Customer Transfer Code*; and
- (b) Western Power must not assess the *customer transfer request* as an application; and
- (c) the queuing rules do not apply.

### 3.2 Class 1 application

# A class 1 application is an application:

- (a) by an applicant who is already a *user* of the *network*, seeking to modify their existing *access* contract; and
- (b) in respect of one or more existing contracted points; and

- (c) seeking only a *reference service* at the *reference tariff*, at the applicable *service standard*, using a *standard access contract*; and
- (d) which does not require any detailed studies to determine whether an augmentation is required.

{Note: For example, this may be an application for an increase of capacity at an existing contracted point.}

#### 3.3 Class 2 application

## A class 2 application is an application:

- (a) by an applicant who is not already a user of the network; and
- (b) which otherwise meets the requirements for a class 1 application

# 3.4 Class 3 application

A **class 3 application** is an *application* which does not meet the requirements for a *class 1 application* or *class 2 application*.

# 3.5 Misclassification of an application

If Western Power initially misclassifies an application as a class 1 or class 2 application instead of a class 3 application, then Western Power may reclassify it and the relevant clauses of this applications and queuing policy apply as though the application had been classed as a class 3 application from the date the application was originally lodged.

{This may occur, for example, because it is initially thought that the *application* is not likely to require an augmentation, but one later proves necessary, or because the application has been amended}

#### 4. Informal communications

# 4.1 Applicant may contact Western Power

Prior to lodging an *application* with Western Power, an *applicant* may contact Western Power, where the *applicant* expects, in good faith, to proceed to an *application*, to discuss the proposed a*pplication*, including matters such as:

- (a) what classification will likely apply to the proposed application;
- (b) whether it is likely that there is sufficient spare capacity to provide the requested covered services or whether an augmentation may be required to provide the covered services, including whether it is likely that any new connection assets will be required to provide the covered services requested in the application; and
- (c) if it is likely that an *augmentation* will be required whether or not a *contribution* will likely be required from the *applicant* under the *capital contributions policy* and a good faith estimate of the approximate amount of the *contribution*; and [the definitions now cover all contributions]
- (d) if it is likely that an *augmentation* will be required a good faith estimate of the likely time required for the planning, designing, approving, financing, construction and commissioning, as applicable, of any necessary *augmentations*; and

(e) what system or other studies are likely to be required in the processing of the application, whether Western Power is able to undertake the studies and the approximate costs of such studies.

and Western Power must engage in such discussions in good faith and use all reasonable endeavours to satisfactorily and promptly address any matters raised by the applicant.

# 4.2 Western Power may require costs

If, during informal discussions, an *applicant* requests Western Power to perform any studies, prepare detailed cost estimates or do any other work to assist the *applicant* prior to the *applicant* lodging an *application*; then

- (a) the applicant must, when requested by Western Power, pay an amount to Western Power equal to a reasonable cost incurred, or to be incurred within a reasonable timeframe; and
- (b) the total of the costs referred to in clause 4.2(a) must not exceed the reasonable costs which would be incurred by a prudent *service provider*, acting efficiently and in good faith, in accordance with good electricity industry practice, seeking to achieve the lowest practicable cost of performing the requested works.

{This might occur, for example, if the *applicant* needs input into feasibility studies to determine which project proceeds to an *application*.}

# 4.3 Informal discussions not binding

The discussions under this clause 4 are not binding on Western Power, and Western Power is not liable for any error or omission that is made as a reasonable and prudent person in the discussions under clause 4.

#### 5. Confidentiality

# 5.1 Confidential information

Information which Western Power is required to disclose under clauses 8.13(a), 8.13(b) or 8.13(c) is not confidential information.

# 5.2 Confidential information must not be disclosed

Western Power, an applicant or a disclosing person must not disclose confidential information unless:

- (a) the disclosure is made to the Authority on a confidential basis; or
- (b) the disclosure, where it is made by an *applicant* or a *disclosing person*, is made to a worker of Western Power who is bound by an adequate confidentiality undertaking; or
- (c) the disclosure is made with the consent of the disclosing person; or
- (d) the disclosure is required or allowed by law, or by the Arbitrator or another court or tribunal constituted by law; or
- (e) the information has entered the public domain other than by breach of this clause 5.2; or
- (f) the information could be inferred by a reasonable and prudent person from information already in the public domain.

# 6. Costs and timing of processing application

#### 6.1 Class 1 and 2 application costs

For an application other than a class 3 application, an applicant must pay to Western Power the lodgement fee published by Western Power from time to time for the application at the time it lodges the application.

#### 6.2 Class 3 application costs

For a class 3 application:

- (a) an applicant must, when requested by Western Power, pay an amount to Western Power or a third party in respect of a reasonable cost incurred, or to be incurred within a reasonable timeframe, in processing the application; and
- (b) the total of the costs referred to in clause 6.2(a) must not exceed the reasonable costs which would be incurred by a prudent *service provider*, acting efficiently and in good faith, in accordance with good electricity industry practice, seeking to achieve the lowest practicable cost of *processing* the application; and
- (c) the costs referred to in clause 6.2(a) must not include any costs of Western Power in relation to an access dispute (which are to be awarded by the *Arbitrator* under Chapter 10 of the *Code*).

# 6.3 Disputes may be referred to Arbitrator

A dispute between an *applicant* and Western Power regarding a cost under clause 6.2 may be referred by either party to the *Arbitrator* for determination, in which case the *Arbitrator* may either affirm the amount or reduce it.

## 6.4 Lead times for applications

An applicant must endeavour to lodge an application to Western Power within a reasonable time before the requested services start date, having regard for

- (a) the time required to determine if any augmentation is required, and if so then the time required to plan, design, cost, approve, finance, construct and commission the augmentation; and
- (b) if the *applicant* has requested any non-standard terms, then the time required to finalise an *access contract*; and
- (c) if the *applicant* has requested any other deviation from a *reference service*, such as a derogation from the *technical rules*, then the time required to process this request.

As a general guide, applicants must lodge applications with the following minimum lead times:

- (i) for a class 1 application— at least 10 business days before the requested services start date; and
- (ii) for a class 2 application at least 25 business days before the requested services start date.

# 7. Application form

# 7.1 Commencing the *application* process

The *application* process is commenced by the *applicant* submitting an *application* to Western Power on the *application* form provided on its website, using reasonable endeavours to accurately and completely address each item in the *application* form (including by the provision of supporting information as required under this *applications and queuing policy*).

# 7.2 Information required with the application

The applicant must provide the following information to Western Power in respect of an application at the time of submitting the application:

- (a) details of the applicant, including:
  - (i) the full name and address of the applicant; and
  - (ii) whether the applicant is acting as agent for any person in making the application, and if so, details of the applicant's principals; and
  - (iii) whether the *applicant* is an existing *user*, and if so, the *user's* existing *access contract number*; and
  - (iv) any conditions precedent that the applicant seeks for the requested access contract; and
  - (v) whether the application is being made in connection with a tender process; and
- (b) the covered services requested, and for each requested covered service:
  - (i) the requested services start date and requested services end date; and
  - (ii) if the *covered service* is a *reference service*, then any deviation sought from the *reference service*, including from the applicable *tariff*, *service standard* or the *electricity transfer contract* in the *access arrangement*; and
  - (iii) if the covered service is a *connection service* only, and the *application* is likely to result in an *access offer* presented in the form of a *connection contract*, then any deviation sought from the *connection contract* in the *access arrangement*; and
  - (iv) if the *covered service* is a *non-reference service*, then a description of the *non-reference service*;

and

- (c) for each requested contracted point:
  - (i) whether the contracted point is an existing contracted point; and
  - (ii) the location or UMI of each requested contracted point, as applicable; and
  - (iii) such information regarding the *facilities* and *equipment* at the *contracted point* to the extent required by:
    - (A) the technical rules; and

(B) Western Power acting as a reasonable and prudent person,

and

- (iv) the applicant's assertion that the proposed facilities and equipment at the contracted point will meet the requirements of the technical rules, with the exception of any exemptions to the technical rules sought by the applicant; and
- (v) a full description of any exemptions to the technical rules sought by the applicant; and
- (vi) information in reasonable detail regarding the *controller*, if the *applicant* will not be the *controller*, and
- (vii) the proposed *DSOC* of any *generating plant connected* or to be *connected* at the *contracted point*; and
- (viii) the expected *CMD* of the *facilities and equipment connected* or to be *connected* at the *contracted point*, if applicable; and
- (ix) the forecast annual consumption of electricity; and
- (x) the forecast annual *generation* of electricity, if applicable,

and

- (d) where works may be required to provide the requested covered services:
  - (i) the *applicant's* preferred manner of payment under *Western Power's capital contributions* policy, in case a contribution will be required; and
  - (ii) if applicable, any deviation sought from the *interconnection works agreement* in the *access arrangement*,

and

(e) such information concerning the *applicant* as Western Power requires, acting reasonably, to assess the *applicant's* ability to meet its obligations under the requested access contract.

#### 7.3 Forecasts of information

When an application contains estimates or forecasts of any information:

- (a) Western Power may treat that estimated or forecast information as factual information; and
- (b) the *application* is a warranty by the *applicant* to Western Power that each such estimate or forecast is the *applicant's* best estimate or forecast acting as a *reasonable and prudent person*.
- 7.4 Errors or omissions in an application
  - (a) If Western Power becomes aware of any material error or omission in an *application* it must immediately notify the applicant about it and may request information under clause 7.5.
  - (b) If an applicant is notified by Western Power under clause 7.4(a) or otherwise becomes aware of any material error or omission in an application, it must amend the application to remedy it as soon as practicable after becoming aware of it.

- (c) If Western Power has notified the *applicant* under clause 7.4(a), the *applicant* must amend the *application* within 5 business days, or the *application* will be deemed to have been withdrawn.
- (d) If remedying an error or omission in an *application* amounts to a material amendment to the *application*, clause 9.3 applies.

#### 7.5 Additional information

- (a) At any time, Western Power may, acting as a *reasonable and prudent person*, request the applicant to provide further information that Western Power reasonably requires to enable it to process the application.
- (b) An *applicant* who receives an information request under clause 7.5(a) must provide the requested information to Western Power as soon as reasonably practicable.

# 8. The queue

#### 8.1 When *queuing rules* apply

- (a) The queuing rules apply only where there are competing applications.
- (b) The queuing rules apply to determine the priority of an applicant's application in the queue.
- (c) The *priority* of an *applicant's application* in a *queue* is to be determined by reference to the time at which the *application* is lodged, which is the time at which Western Power actually receives the *application*.
- (d) If an *applicant* submits more than one *application*, then the *applicant* has a different *priority* in respect of each *application*, and every reference in the *queuing rules* to the *applicant's priority* is to be read as a reference to the *applicant's priority* in respect of the relevant *application*.

#### 8.2 More than one *queue*

Under clause 8.1(c), there may from time to time be more than one *queue* in respect of a *network*.

{Example: One group of applications may relate to new *generation* projects in one part of a network and another group of applications may relate to new *consumers* at an industrial area at a different part of the *network* and each group of applications may be in a separate queue.}

# 8.3 First come first served principle

Subject to clauses 8.4 to 8.9, Western Power must ensure that *applications* are processed in accordance with the *first come*, *first served* principle.

#### 8.4 When bypass is permitted

Subject to the process in clauses 8.6 to 8.8, *bypass* is permitted:

- (a) to the extent necessary to better achieve the Code objective; or
- (b) to the extent necessary to allow a supplier of last resort (as defined in the section 67 of the *Act*) to comply with its obligations under Part 5 of the *Act*; or

- (c) to the extent necessary to allow a default supplier (as defined in the section 59 of the *Act*) to comply with its obligations under section 59 of the *Act*; or
- (d) if directed by the Authority.

{This might occur, for example, when the *Authority* determines that bypass is required to ensure the reliably and safety of the *network*, or to ensure sufficient *generating plant* is *connected* to the *network*.}

# 8.5 When the *bypass* test might be satisfied

Without limiting clause 8.4, circumstances where the *bypass* test in clause 8.4 might be satisfied include:

- (a) where an application that has earlier priority in a queue cannot, and an application with later priority can, presently proceed to an access contract or otherwise progress through the applications process, for example because:
  - (i) the *applicant* with earlier *priority* has not obtained environmental or other approvals that it requires in order to proceed; or
  - (ii) of delays in processing the application that has earlier *priority* caused by the arbitration of an access dispute under Chapter 10 of the *Code*;

or

- (b) where an *applicant* fails to use reasonable endeavours to progress its *application* in accordance with this *applications and queuing policy*; or
- (c) where the *application* is frivolous, vexatious or was not made in good faith.

# 8.6 Western Power to give notice

If Western Power considers that the *bypass* test in clause 8.4 is satisfied in relation to an *application*, it must give the *applicant* a notice (subject to clause 5.2) setting out in reasonable detail the basis on which Western Power considers that the *bypass* test in clause 8.4 is satisfied and requiring the *applicant* to either:

- (a) if possible, progress the application; or
- (b) otherwise provide information to Western Power demonstrating why the application should not be bypassed.

#### 8.7 Western Power may *bypass* after fresh determination

At least 20 *business days* after giving a notice under clause 8.6, Western Power must make a fresh determination, having regard to all relevant material, including anything which has occurred, and any information provided, since the notice was given under clause 8.6, whether the *bypass* test in clause 8.4 is satisfied. If Western Power considers that the *bypass* test in clause 8.4 is satisfied, it may *bypass* the *application* to the extent permitted under clause 8.4.

# 8.8 Western Power to provide reason for bypass

If Western Power *bypasses* an *application* under clause 8.7, Western Power must (subject to clause 5.2) provide reasons to the *applicant* for its decision to *bypass* the *application* including information in reasonable detail explaining on what basis Western Power determined that *bypassing* the *application* was necessary to better achieve the *Code* objective under clause 8.4.

#### 8.9 Applications in relation to tender projects etc

- (a) Western Power must decide, as a *reasonable and prudent person*, if it is practical to treat *competing applications* as having the same *priority*. This may occur, for example, if two *applicants* are competing under a tender process for the same *capacity*, and only the *applicant* that is successful in its bid will proceed with an access contract.
- (b) Where clause 8.9(a) does not apply, Western Power must treat bidders in a tender process in accordance with the *first come*, *first served* principle.

## 8.10 Processing of applications not affected

- (a) Nothing in the *queuing rules* prevents Western Power from processing more than one *application* concurrently.
- (b) Western Power must use reasonable endeavours to comply with the timeframes set out in this applications and queuing policy in respect of each application which is lodged with Western Power, whether or not it is processing more than one application concurrently.

#### 8.11 Exercising an option not affected

An option granted to a user as part of the terms of an access contract to extend the duration of the access contract is not an application and is not subject to the queuing rules if it is exercised in accordance with its terms.

#### 8.12 Priority of withdrawn applications

An application which is withdrawn or deemed by this applications and queuing policy to have been withdrawn, loses its *priority* under the *queuing rules*, even if it is subsequently amended or resubmitted.

# 8.13 Provision of information about position in queue

Western Power must make known to any *applicant* with an *application* in a *queue*, or to any existing *user* with a conditional *access contract* under clause 14.4:

- (a) in respect of each competing application in the queue:
  - (i) the fact that the *competing application* exists in the *queue*; and
  - (ii) whether the *competing application* is ahead of, or behind, the *applicant's* position in the *queue*;

and

(b) a description of the circumstances which caused the *applications* in the *queue* to be *competing applications* (including information in reasonable detail regarding the aggregated *capacity* 

requirements of those *competing applications* which are ahead of the *applicant* in the *queue*); and

- (c) the likely time until the making of an *access offer* and the commissioning of any necessary *augmentation* in respect to the *competing application*; and
- (d) except to the extent that it is prevented from doing so by clause 5.2, in respect of each competing application in the queue:
  - (i) the capacity requirements of the competing application; and
  - (ii) the geographic location at which the competing application seeks the capacity; and
  - (iii) reasonable details regarding any augmentation required by the competing application.

#### 8.14 When Western Power is to provide *queue* information

Western Power must provide the information in clause 8.13:

- (a) as part of the *initial response* to an *application*; and
- (b) at any time after a reasonable request by the applicant for updated information; and
- (c) as soon as practicable after a material change in the information previously notified under this clause 8.14, including when information of the kind referred to in clause 8.13(d) which was previously withheld on the ground that Western Power was prevented from doing so by clause 5.2 is no longer entitled to be withheld on that ground.

# 9. Amendment and withdrawal of application

# 9.1 Amendment to application

- (a) An applicant may at any time by notice to Western Power amend an application.
- (b) If the amended application changes the class of the application, resulting in change in applicable application fee, Western Power may charge the applicant a new fee or refund part of the original fee, having regard for work in processing the application already completed.
- (c) Without limiting clause 9.1, an amendment to an *application* may include a change to the identity of the *applicant* in which case the other information in the *application* must also be amended accordingly.

# 9.2 Amending application to address necessary augmentation

Without limiting clause 9.1, if an *application* would require an *augmentation*, then at any time after Western Power provides the necessary information the *applicant* may revise its *application* to amend the *applicant*'s preferred manner of *contribution* under the *capital contributions policy*.

# 9.3 Priority of amended applications

(a) Subject to clause 9.3(b), an amended *application* has the same p*riority* as the original *application*.

- (b) If an amended *application* is materially different from the original *application*, and if the difference is such that an *applicant* whose competing application has a date of priority subsequent to the original *application* is materially prejudiced in terms of the likelihood, timing, cost and terms of its obtaining access (compared with that later *applicant's* position with respect to the original *application*), then:
  - if it is possible to construe the amended application as a combination of the original application and a notional supplementary application (whether for further capacity or otherwise), the original application retains its priority and the notional supplementary application has priority according to the time of amendment; but
  - (ii) otherwise the amended application has priority according to the time of amendment.

# 9.4 Withdrawal of application

An *applicant* may at any time before it enters into an access contract, by notice in writing to Western Power withdraw an *application*.

# 9.5 Applications do not expire

Subject to clause 9.6, an application does not expire due to the passage of time.

# 9.6 Dormant applications

- (a) Where Western Power holds the opinion as a *reasonable and prudent person* that it is unlikely that an *access offer* will be made in respect of a *dormant application*, then Western Power must give the *applicant* a notice requiring the *applicant* to provide information to Western Power demonstrating why the *dormant application* should not be taken to have been withdrawn by the *applicant*.
- (b) At least 20 business days after giving a notice under clause 9.6(a), Western Power must make a fresh determination, having regard to all relevant material including anything which has occurred, and any information provided, since the notice was given under clause 9.6(a) whether the dormant application should be taken to have been withdrawn by the applicant.
- (c) If Western Power makes a determination under clause 9.6(b) that the *dormant application* should be taken to have been withdrawn by the *applicant* then the *dormant application* is deemed to have been withdrawn by the *applicant*.

# 10. Processing the application

#### 10.1 Western Power must be expeditious and diligent

Western Power must process an application expeditiously and diligently.

## 10.2 Existing access contracts and determination of spare capacity

- (a) In determining whether there is sufficient spare capacity to provide covered services requested in an application, Western Power must assume that any existing access contract will be renewed in accordance with the terms of that access contract.
- (b) If covered services provided under an existing access contract in relation to capacity at a contracted point impede Western Power's ability to provide covered services sought by an applicant, and Western Power determines, as a reasonable and prudent person, that the

*capacity* which is provided under that *access contract* is not reasonably necessary to satisfy that *user's* actual requirements, then Western Power may:

- (i) by written notice to the existing *user*, decrease that *capacity* accordingly; and
- (ii) consider that the amount of *capacity* by which the *capacity* under the *user's access* contract was decreased is now *spare capacity* for the purposes of *processing* the application.
- (c) When making a determination under clause 10.2(b), Western Power must have regard to:
  - (i) the nature, condition and use of the *facilities and equipment* installed, or to be installed within a reasonable time, at the *contracted point*; and
  - (ii) whether the *user* cannot use the *covered services* because of a circumstance beyond the *user's* control which the *user* is diligently attempting to rectify.

#### 10.3 Extension of time to perform obligations

If:

- (a) Western Power (acting as a *reasonable and prudent person*) has requested further information from the *applicant* under clause 7.5 which it reasonably requires to *process* the *application*; and
- (b) the request was made as soon as Western Power became aware that it required the information; and
- (c) Western Power has expeditiously and diligently progressed the processing of the *application* before making the request, after receiving the information, and (to the extent possible) between making the request and receiving the information,

then the time period for complying with any obligation under this *applications* and *queuing* policy is extended by an amount of time equal to the time taken by the *applicant* to comply with the request.

# 10.4 Variation from this applications and queuing policy

- (a) An *applicant* and Western Power may agree to deal with any matter in connection with the *applicant's application* in a manner different to the treatment of the matter in this *applications* and queuing policy as long as the ability of Western Power to provide a *covered service* that is sought by another *applicant* is not impeded.
- (b) Without limiting the generality of clause 10.4(a), an applicant and Western Power may agree to extend any one or more of any of the time periods set out in this applications and queuing policy on one or more occasions, and:
  - (i) the time period is extended by the amount of time agreed; and
  - (ii) unless otherwise agreed, the time for complying with any other obligation is extended by the same amount of time.

# 11. Reporting during the processing of the application

#### 11.1 Initial response

Subject to clause 11.2(b), Western Power must provide an *initial response* to the *applicant* specifying:

- (a) Western Power's classification of the application; and
- (b) the estimated costs of *processing* the *application*; and
- (c) an estimate of the time by which Western Power expects to make an access offer, and
- (d) whether the *application* has caused Western Power to give a notice under clause 8.6 to any person.

## 11.2 Timing of initial response

- (a) The initial response must be provided:
  - (i) for a class 1 application within 5 business days after the application is lodged; or
  - (ii) for a class 2 application within 10 business days after the application is lodged; or
  - (iii) for a class 3 application within 20 business days after the application is lodged.
- (b) If, by the time by which Western Power is required to give an *applicant* an *initial response* under clause 11.2, Western Power has given the *applicant* an *access offer*, Western Power is not required to provide an *initial response* to the *applicant*.

#### 11.3 *Initial response* is not binding

An *initial response* is not binding on Western Power, and Western Power is not liable for any error or omission, which is made as a *reasonable and prudent person*, in an *initial response*.

#### 11.4 Progress reporting

- (a) An applicant must upon request by Western Power (which request will not be made more frequently than once per fortnight) provide a progress report to Western Power containing information in reasonable detail regarding its application, including whether there has been any material change in any information previously provided by the applicant.
- (b) Western Power must upon request by the *applicant* (which request must not be made more frequently than once per fortnight) provide a progress report to the *applicant* containing information in reasonable detail regarding the processing of the *application*, including whether there has been any material change in any estimates of costs or times previously provided by Western Power.

# 12. Making the access offer

# 12.1 Western Power must make access offer

Western Power must, acting as a *reasonable and prudent person*, give an *access offer* to the *applicant* as soon as practicable, and in any event must (subject to clause 10.3) make reasonable endeavours to do so within:

- (a) for a class 1 application 5 business days after the application is lodged; or
- (b) for a class 2 application 10 business days after the application is lodged; or
- (c) for a *class 3 application* as soon as practicable after the *application* is lodged, having regard to the nature of the *application*.

#### 13. Form of access offer

13.1 Access offer to be signed by Western Power

Western Power must present the "access offer" in such a form that it can, without anything else being required, become an access contract or contracts when signed by an applicant.

13.2 Constituent parts of the access offer

The access offer will consist of:

- (a) if an applicant is seeking an exit service or entry service, an electricity transfer contract; or
- (b) if an *applicant* is seeking a *connection service* only, and Western Power considers, as a *reasonable and prudent person*, that the *facilities and equipment* to be *connected* to the *network* present a risk to the safety and reliability of the *network*, then a *connection contract*; or
- (c) if an applicant is an existing user, seeking:
  - (i) a new contracted point; or
  - (ii) an increase in contracted capacity for an existing contracted point; or
  - (iii) a material change to the technical characteristics of the *facilities and equipment* connected at an existing contracted point,

a modification to the user's existing access contract,

and

(d) if the provision of *covered services* sought by an *applicant* requires the performance of *works*, or a *contribution*, or both, an *interconnection works agreement*.

# 14. Terms of access offer

14.1 Conditions precedent permitted in access contract

Western Power and an *applicant* must negotiate in good faith regarding any conditions precedent that the *applicant* or Western Power seeks to have included in an access contract in order to achieve the objectives set out in clause 14.2.

14.2 Objectives with regard to conditions precedent

The objectives of this applications and queuing policy with regard to conditions precedent are:

(a) conditions precedent in *access contracts* should facilitate the development of electricity consuming and generating projects and provide flexibility; and

- (b) conditions precedent should not unduly impede the ability of Western Power to provide covered services to applicants with later priority or cause uncertainty and delay; and
- (c) conditions precedent should not constitute an inappropriate barrier to entry into a market or be for the purpose of hindering or preventing access by any person to covered services.
- 14.3 Conditions precedent and determination of spare capacity

In determining whether there is sufficient spare capacity to provide covered services requested in an application, Western Power must regard any existing conditional access contract as being unconditional.

14.4 Conditions precedent not longer than 6 months

Western Power and an *applicant* may not enter into an a*ccess contract* that contains a condition precedent for which a period of longer than 6 months from the date the *access contract* was entered into is allowed for its fulfilment.

- 14.5 If, after 6 months, a condition precedent in an access contract has not been fulfilled, then:
  - (a) if there is no *competing application*, Western Power and the relevant *user* may agree within 20 *business days* to extend the *access contract* by a further 6 months; or
  - (b) if there is a *competing application*, Western Power and the existing *user* must negotiate in good faith within 20 *business days* to accommodate both the *user's* and the *competing applicant's* requirements.

{Note: this might mean sharing the costs of *augmentation* as calculated under the *capital contributions policy*, or agreeing to some form of constraint, or some other means.}

- 14.6 If no agreement is reached under clause 14.5, then the *user* may either:
  - (a) terminate the access contract; or
  - (b) waive the conditions precedent and have the access contract become unconditional; or
  - (c) refer this matter to the *Arbitrator* as an *access dispute*.
- 14.7 Exemptions from technical rules
  - (a) Western Power must consider a request for an exemption to the *technical rules* in an *application* as a *reasonable and prudent person*, and in accordance with any provisions in the *technical rules* regarding exemptions.
  - (b) Any exemption to the *technical rules* that Western Power agrees to must be documented in the resulting *access contract*.

# 14.8 Security

- (a) If an *applicant* does not provide evidence to Western Power that it has an unqualified credit rating of at least:
  - (i) BBB from Standard and Poor's Australia Pty Ltd; or
  - (ii) Baa from Moody's Investor Service Pty Ltd,

Western Power may require as a term of an *electricity transfer contract* a provision, requiring the *applicant* to, at the *applicant*'s election:

- (iii) pay the *charges* for up to 2 months' *services* in advance as a cash deposit, on which no interest is payable by Western Power; or
- (iv) provide an irrevocable and unconditional bank guarantee in terms acceptable to Western Power (acting as a *reasonable and prudent person*), guaranteeing the charges for 2 months' *services*; or
- (v) if the *applicant's* parent company meets at least one of the credit ratings given in clauses 14.8(a)(i) and 14.8(a)(ii), procure from the *applicant's* parent company a guarantee substantially in the form set out in the *electricity transfer contract* in the *access arrangement* guaranteeing the charges under the *electricity transfer contract*.
- (b) Western Power may require as a term of an *interconnection works agreement* a provision, at the *applicant's* election, requiring the *applicant* to provide an irrevocable and unconditional bank guarantee in terms acceptable to Western Power (acting as a *reasonable and prudent person*), guaranteeing:
  - (i) if the *applicant* has selected to make periodic payments for a *contribution* under the *capital contributions policy*, the amount of the *contribution* that remains unpaid at any time; and
  - (ii) if an *electricity transfer contract* has not be *signed* with regards to the *contracted point*, then, unless and until an *electricity transfer contract* is *signed*, the full cost of the *works*; and
  - (iii) any other payment determined under the capital contributions policy.

#### 14.9 Payments due under capital contributions policy

If, with regards to an *application*, Western Power determines that a payment is required under the *capital contributions policy*, including a rebate to an existing *user* or a *contribution*, then Western Power may require as a term of the relevant *access contract* provisions related to the payment.

# 14.10 If application requests reference service

If an application requests a reference service on terms materially the same as those set out in the electricity transfer contract in the access arrangement, then the access offer must be on materially the same terms as those requested in the application, save that the access offer must not specify an earlier services start date than that requested in the application where doing so may impede the ability of Western Power to provide a covered service that is sought by another applicant.

# 14.11 If application requests a connection service

If an application requests a connection service only on terms materially the same as those set out in the connection contract in the access arrangement, then the access offer must be on materially the same terms as those requested in the application.

#### 14.12 If application requests non-reference service

If an application requests a non-reference service, other than a connection service, then the terms of the access offer must be:

- (a) consistent with the Code objective; and
- (b) reasonable; and
- (c) subject to clauses 14.12(a) and 14.12(b), as similar as practicable to those terms requested in the application dealing with the relevant matter, and negotiated in good faith by the applicant and Western Power during the processing of the application.

# 14.13 If application triggers works

If an *application* requests a *covered service* that will result in *works*, on terms, with regard to the works, materially the same as those set out in the applicable *interconnection works agreement* in the *access arrangement*, then the *access offer* must be on materially the same terms as those requested in the *application*.

# 14.14 Arbitrator's powers preserved

Nothing in clauses 12 to 14.11 limits the *Arbitrator's* power to make an award compelling Western Power to provide *access* to a *covered service* on terms specified in the award.

# 15. Entering into or modifying an access contract

## 15.1 When access offer becomes access contract

- (a) An access offer becomes an access contract, or modifies an existing access contract in accordance with the terms of that access contract, as applicable, when signed by both parties.
- (b) Western Power must sign the access offer before giving the access offer to the applicant.

# 15.2 Applicant's options on receipt of an access offer

The *applicant* must as soon as practicable, and in any event within 30 business days, after receipt of an *access offer*, either:

- (a) sign the access offer, thereby entering into an access contract, or modifying an existing access contract, as applicable; or
- (b) by notice to Western Power reject the *access offer* and request amendments to the *application*; or
- (c) by notice to Western Power withdraw the application,

and if 30 *Business Days* after receipt of the *access offer* the *applicant* has not complied with any of clauses 15.2(a), 15.2(b), or 15.2(c), then (unless the *Arbitrator* makes an order extending the time limit on the ground that the delay is beyond the *applicant's* reasonable control) the *applicant* is to be taken to have withdrawn its *application*.

# 15.3 If applicant rejects access offer

If the *applicant* rejects an *access offer* and requests amendments to the *application* under clause 15.2(b), Western Power must:

- (a) prioritise the amended application in accordance with clause 9.3; and
- (b) process the amended application in accordance with this applications and queuing policy; and
- (c) make a further access offer to the applicant as soon as practicable in accordance with this applications and queuing policy.

#### 15.4 Dormant access offers

- (a) Where Western Power holds the opinion as a *reasonable and prudent person* that it is unlikely that a *dormant access offer* will be *signed* by the *applicant* within 20 *business days* of the first *access offer* made in response to an *application* becoming a *dormant access offer*, then Western Power must give the *applicant* a notice requiring the *applicant* to provide information to Western Power demonstrating why the *application* should not be taken to have been withdrawn by the *applicant*.
- (b) At least 20 business days after giving a notice under clause 15.4(a), Western Power must make a fresh determination, having regard to all relevant material including anything which has occurred, and any information provided, since the notice was given under clause 15.4(a) whether the application associated with the dormant access offer should be taken to have been withdrawn by the applicant.
- (c) If Western Power makes a determination under clause 15.4(b) that the *application* associated with the *dormant access offer* should be taken to have been withdrawn by the *applicant* then that *application* is deemed to have been withdrawn by the *applicant*.

# 15.5 If applicant accepts access offer

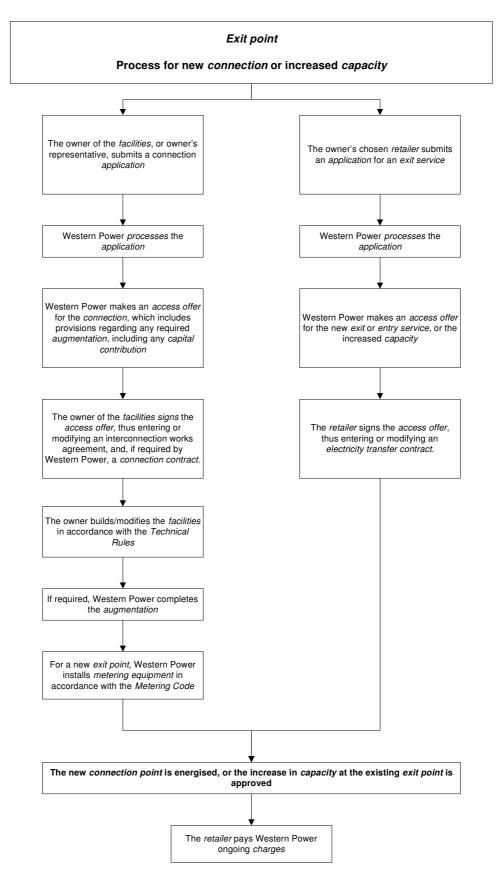
If the applicant signs the access offer, it must:

- (a) forthwith give written notice of the *signing* to Western Power;
- (b) as soon as practicable procure the stamping of the signed access contract, if applicable, and pay all stamp duties that are assessed by the Office of State Revenue on the access contract; and
- (c) as soon as practicable thereafter give to Western Power at least one original copy of the *signed* and stamped *access contract*.

#### 15.6 Access offer ceases to exist after signing

Upon an applicant signing an access offer, the application in response to which the access offer was made ceases to exist.

# SCHEDULE 1 EXAMPLES OF APPLICATION PROCESSES



DMS #2366819v1

