



ICRC

independent competition and regulatory commission

Utility Licence Annual Report 2018–19

Electricity transmission services

TransGrid

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Obligations under Utilities Act 2000, Industry Codes and the Utility Licence

Under section 25(2)(d) of the Utilities Act 2000 (Utilities Act), utilities are required to report to the Independent Competition and Regulatory Commission (Commission) annually on the exercise of their functions under the statute and their compliance with licence conditions. The reported information forms the basis for the Commission's monitoring report for licensed utility service providers.

The reporting requirements and obligations are divided into sections in the ULAR. We request the utility to provide us complete and relevant data and information based on obligations set out below.

Section 1: Exercise of functions under the Utilities Act 2000.

This section sets out questions in relation to functions that the utility may or must perform under the Utilities Act.

Section 2: Utility licence conditions.

This section sets out questions in relation to the utility's obligations under their licence.

Section 3: Contact Officer

This section requires details of contact officers.

| Report section | Instrument | Reference | Brief description to the obligation and compliance |
|----------------|--------------------|-------------|---|
| 1.1.1 | Utilities Act 2000 | Section 109 | Before a utility begins network operations in relation to public land or private land, it must give the landholder a notice of at least 7 days before the operation begins; or in accordance to the minimum period of notice of the relevant industry code. |
| 1.1.2 | Utilities Act 2000 | Section 108 | A utility must take all reasonable steps to ensure that it causes as little inconvenience, detriment and damage when carrying out network operations |

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|---------------|--------------------|--|---|
| 1.1.3 | Utilities Act 2000 | Section 109 | A utility must provide land-holder with at least 7 days notice before carrying out a network operations |
| 1.1.4 | Utilities Act 2000 | Section 110 (1)(a) to (c) ; Section 110 (8) | A utility must give the land-holder at least 7 days notice before any carrying out network operations that involve clearing, trimming or removal of trees, roots or vegetation on private land. A utility may carryout such operations in urgent circumstances provided that it necessary to protect the network, public health and safety; a public or private property or the environment. |
| 1.1.5 | Utilities Act 2000 | Section 110A(1); Section 110A(2) | In addition to the 7 day notice requirement for carrying our network operations under section 109 and 110, the utility must also provide a notice to the heritage council at least 7 days if such operations will affect a heritage place, a registered heritage object or nominated for provisional registration. A utility may carry out such operations in urgent circumstances provided that it necessary to protect the network, public health and safety; a public or private property or the environment. |
| 1.1.6 | Utilities Act 2000 | Section 111 | A utility must give at least 7 day notice to a public utility when carrying out network operations or activity that affects or will likely to affect a network facility that is under a public utility. The notice must include purpose and details of the operation set out in section 111(3)(a)(b). |
| 1.1.7 | Utilities Act 2000 | Section 112 | A utility must as soon as practicable, remove from the land all plant, machinery and all other things that the utility constructed, installed, or placed on the land that are not part of, or are not to be used in the operation of the network facility to which the activity is related. |
| 1.1.8 | Utilities Act 2000 | Section 113 | A utility that carries out network operation on land which is not a land-holder must take all reasonable steps to ensure that the land is restored to its original condition as soon as practicable |
| 1.2.1 | Utilities Act 2000 | Section 115 | A utility must give each of its authorised people an identity card that specifies th eperson's name and appointment as an authorised person for the utility, and on which appears a recent photograph of the person. |
| 2.1 | Retail Licence | Clause 6.1 | The Licensee must comply with all Laws for the time being in force in the Territory and applicable to any services provided by the Licensee in the Territory |
| 1.1 to 2.2 | Retail Licence | Clause 7.4 | The Licensee must report to ICRC on its obligations under clause 6.2, and in relation to any other reporting requirements the Licensee has under the Act, including information which ICRC requires to be reported against pursuant to the Act, by 1 October every year during the term of this Licence. |
| 2.1.3 | Retail Licence | Clause 7.5 | The Licensee must ensure that a summary of the annual report required under clause 7.4 is publicly available. |
| 2.1.1 | Retail Licence | Clause 7.2 | If the Licensee becomes aware of a material breach of its licence and any Law or such other code of practice, directions and guidelines applicable to the Licensee and to any of the other services to be rendered by the Licensee that it is required to comply with under clause 6.2, the Licensee must notify ICRC of the breach as soon as practicable. |

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| 2.1.2 | Retail Licence | Clause 7.3 | If the Licensee has not complied with any of its obligations under clause 6.2, the Licensee must identify those obligations and provide a brief statement to ICRC that explains the circumstances of, and reasons for the non-compliance, consequences of the non-compliance (including any penalties imposed) and outlines measures that the Licensee will put in place to rectify that noncompliance. |
| 2.1.4 | Retail Licence | Clause 7.6 | (1) The Licensee must, from time to time, undertake audits of the services and operations authorised by its licence and of its compliance with its obligations under its licence and any Law, code of practice, directions and guidelines that it is required to comply with under clause 6.2; (2) The audits must be conducted by an independent expert or auditor nominated by the Licensee and approved by ICRC. (3) The audit results must be reported to ICRC in a manner (including as to form and substance) approved by ICRC. |
| 2.1.4 | Retail Licence | Clause 8.1 | The Licensee must, throughout the term of this licence, continue to satisfy the same technical and prudential criteria that it was required to meet as a condition of the grant of the licence under the Act. |
| 2.1.4 | Retail Licence | Clause 8.2 | The Licensee must, when reasonably required by the ICRC, provide ICRC with (1) details of the Licensee's financial, technical and other capacity (including the capacity of its major contracted providers) to continue to provide the services and to conduct the operation authorised by this licence; and (2) such other information as ICRC requires |
| 2.1.5 | Retail Licence | Clause 10.1 | The Licensee must not grant a charge over its interest in the licence without prior written consent of ICRC |
| 2.1.5 | Retail Licence | Clause 10.2 | The Licensee must not assign its interest under the licence without the prior written consent of ICRC |
| 2.1.5 | Retail Licence | Clause 10.4 | A change in the shareholding in the Licensee, at any one time, resulting in the the transfer of more than 50 percent of the shares in the Licensee to a third party will be deemed to be an assignment for the purposes of clause 10.2. ICRC's consent to assignment in these circumstances will not be unreasonably withheld. |
| 2.2 | Retail Licence | Schedule 1.1 | Emergency Telephone Service - The Licensee must have a 24 hour emergency telephone service that is accessible to the public every day of the year and able to receive reports of network emergencies. |
| 2.2 | Retail Licence | Schedule 1: Clause 2.1 | The Licensee must develop, and implement an ongoing program to cost effectively minimise losses of electrical power in the Licensee's electricity network. |
| 2.2 | Retail Licence | Schedule 1: Clause 2.2 | The Licensee must report annually to the ICRC on its implementation of measures to reduce (1) network losses; and (2) the greenhouse gas emissions attributable to its network operations. |
| 2.2 | Retail Licence | Schedule 1: Clause 2.3 | The Licensee must comply with the Electricity Feed-in (Renewable Energy Premium) Act 2008 (ACT) and statutory instruments in force under the Act. |

Reporting period and submission

Reporting period **1 July 2018 to 30 June 2019**
Submission date **by 1 October 2019.**

 Submit the completed report in Excel format.

Send completed report to
icrc@act.gov.au

Providing data and information to the Commission



Please read the **Utility Licence Annual Report Guideline** for a more detailed instructions on providing relevant and quality information to the Commission.



Please note that we may seek additional details after receiving the initial report.

- All licensed utilities must provide information and data in the report that are within the reporting period. Data must be provided even if a nil (zero) figure is recorded.
- All responses provided should only relate to services provided in the ACT. In the event the licensee is unable to disaggregate ACT services from other jurisdictions, the licensee must provide a statement detailing: area that the dataset covers, brief explanation why data cannot be disaggregated, additional information that may assist the Commission in understanding the approximate percentage of services that are provided in the ACT from the dataset.
- In most cases a response of 'yes', 'no', 'not applicable' or a figure will suffice. An explanatory statement or supplementary information (e.g. copies of policies or procedures or a link to material on the internet) may be required.

- If the licensee is not able to provide the data or answer a question required in the report, the licensee should indicate 'not available' and provide supplementary information detailing why the information is not available and whether (and in what timeframe) it intends to collect this data.
- Where data is not available the licensee must provide other data that could serve a similar purpose as the data requested (i.e. data that could equally indicate the level of licensee compliance and identify possible causes of non-compliance). Such data should be clearly identified in the report together with an explanation of the alternative taken.
- The licensee should provide commentary where there is a need to explain key factors relevant to the level of, and trends in, their performance. If the licensee response represents a significant variation in the data from the previous reporting period, additional information is to be provided on the cause(s) of the variation. Any supplementary information can be provided in the comments column, or in an attachment. Where applicable, include measures or actions to be put in place to address or rectify the reported variation. All comments must be put in the comment section box.



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1.1 Exercise of functions under the *Utilities Act 2000*

Performance of networks

| Reporting requirement | Response | Supporting statement <i>Please provide quality information that you believe is relevant and will assist the Commission in its assessment.</i> |
|-----------------------|----------|--|
|-----------------------|----------|--|

1. Damage etc. to be minimised (Section 108)

| | | |
|--|---|--|
| <p>What strategies does the licensee have in place to minimise inconvenience, detriment and damage to landholders' property resulting from network operations?</p> | <p>TransGrid has a Work Instruction in place to manage access to Landholder's property resulting from network operations.</p> | <p>Access to a property and works required are coordinated with the property owner. Modes of communication include phone call, face to face meeting and letter drop. It ensures necessary vegetation management is in line with network safety requirements. Works are undertaken by qualified skilled contractors that have been successful in tender submission, for the management vegetation across NSW and part of the ACT. An environmental assessment is carried out for all works, strict environmental controls are followed in line with TransGrid environmental assessment framework.</p> |
|--|---|--|

| | | |
|--|----------------|--|
| In 2018–19, did the licensee receive complaints about any inconvenience, detriment or damage to landholders' property resulting from network operations? | No | |
| If so, how many complaints did the licensee receive about any inconvenience, detriment or damage to landholders' property resulting from network operations? | Not applicable | |

2. Notice to land-holders to undertake network operations (Sections 109)

| | | |
|--|----------------|--|
| In 2018–19, before the utility began network operations in relation to public land or private land, did the licensee fail in any instances to give the land-holder seven days notice of the proposed operations? | No | |
| If so, how many times did the licensee fail to give notice? | Not applicable | |
| Did the licensee receive any complaints related to carrying out operations in urgent circumstances under section 109(5)? | No | |
| If so, provide details and numbers of complaints. | Not applicable | |

3. Notice about lopping trees etc. on private land (Section 110)

| | | |
|---|----------------|--|
| In 2018–19, before the utility began network operations that involved activities as set out in sections 110(1)(a) to (c) (tree related activities), did the licensee fail to give at least seven days notice before operations began? | No | |
| If so, how many times did the licensee fail to give notice? | Not applicable | |
| Did the licensee carry out any tree related activities in urgent circumstances under section 110(8)? | No | |
| If so, provide details and numbers of the incidents. | Not applicable | |

4. Network operations affecting heritage significance (Section 110A)

| | | |
|---|----------------|--|
| In 2018–19, did the licensee conduct any network operations under notices given under sections 109 and 110 that may have affected a place or object registered, or nominated for provisional registration, under the Heritage Act 2004? | No | |
| If yes, provide details such as number of notices and if a copy of the notice is provided to the heritage council at least 7 days before the operation. | Not applicable | |
| Did the licensee receive any complaints related to carrying out network operations in urgent circumstances that may have affected a place or object registered, or nominated for provisional registration, where section 110A(2) was relied on to carry out the operations? | No | |
| If so, provide details and numbers of complaints. | Not applicable | |

5. Notice to other utilities (Section 111)

| | | |
|--|----------------|--|
| In 2018–19, did the licensee receive complaints for failing to give seven days notice to other utilities before performing network operations on their land that potentially affected network facilities under the care and management of those utilities? | No | |
| If so, how many complaints did the licensee receive? | Not applicable | |
| Did the licensee carry out any network operations in urgent circumstances under section 111(6)? | No | |
| If so, provide details and numbers of the incidents. | Not applicable | |

Note: For the purposes of s111 of the Utilities Act, utilities are those licensed under the Utilities Act, carriers or network operators under the Telecommunications Act 1997 (Cth), and the person or authority responsible for stormwater network or streetlight operations.

6. Land to be restored (Section 113)

| | | |
|--|---|--|
| <p>What strategies does the licensee have in place that assists it in fulfilling its obligations under section 112 and 113?</p> | <p>All TransGrid's property and waste material is removed from site, unless otherwise requested by the property owner. All work is carried out in line with TransGrid's Environmental Management systems and framework. Any damage to the land, site, and access tracks are repaired to the property owner's requirement in accordance with the environmental assessment documentation (where applicable) and TransGrid's Environmental Management System procedures and protocols.</p> | |
| <p>Did the licensee receive any complaints related to:</p> | <p>No</p> | |
| <p>failing to remove as soon as practicable from the land any items listed in section 112(1)? If yes, provide number of complaints receive.</p> | <p>No</p> | |
| <p>failing to ensure, as soon as practicable, that the land was restored to a condition that was similar to its condition before the operations began? If yes, provide number of complaints receive.</p> | <p>No</p> | |



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1.2 Exercise of functions under the Utilities Act 2000

General Functions

| Reporting requirement | Response | Supporting statement <i>Please provide quality information that you believe is relevant and will assist the Commission in its assessment.</i> |
|--|--|--|
| 1. Authorised people (Division 7.4) | | |
| Were all persons authorised under section 114 (Authorised Persons) issued with photographic identity cards in 2018–19? | Yes | |
| Are authorised persons made aware of their obligations and entry restrictions under the Utilities Act? | Yes | |
| How are authorised persons made aware of their obligations and entry restrictions under the Utilities Act? Please provide a brief outline of any induction or special training, including whether the training is provided on a regular or ad hoc basis. | Utilities Act obligations are entered in the TransGrid compliance management system and responsibility allocated to the relevant management. | |



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2.1 Utility licence conditions

General Conditions

| Reporting requirement | Response | Supporting statement <i>Please provide quality information that you believe is relevant and will assist the Commission in its assessment.</i> |
|--|----------------|--|
| 1. Licensee to notify ICRC of any material breaches (Clause 7.2) | | |
| Were there any material breaches of the licensee’s licence or any applicable law, code of practice, directions and guidelines in 2018–19? | No | |
| If yes, was the ICRC notified of the breaches? Please provide details if yes. | Not applicable | |
| 2. Licensee to provide statement on any non-compliance (Clause 7.3) | | |
| Were there any non-compliances with any of the licensee's obligations under clause 6.2 of its licence to comply with the Utilities Act, relevant Industry Codes, relevant Technical Codes, any directions given by the ICRC or any applicable ring-fencing requirements? | No | |
| If yes, was the ICRC notified of the non compliance/s? Please provide details if yes | Not applicable | |

3. Availability of Utility Licence Annual Report (Clause 7.5)

| | | |
|---|---|--|
| Was a summary of the 'Utility Licence Annual Report' (ULAR) for 2017-18 made publicly available by the licensee? | Yes | |
| Please provide a link to the publicly available ULAR or a publicly available summary of the ULAR, or link to a clear and easily accessible statement on the website as to where a summary of the ULAR may be easily accessed. | https://www.transgrid.com.au/news-views/publications/Documents/Utilities%20Licence%20Annual%20Report%202017_2018.pdf | |

NOTE: This requirement specifically refers to the ULAR only, not the General Annual Report of the licensee. Whilst a summary of ULAR is required, the licensee may also make the entire ULAR publically available. Making the summary of a ULAR (or entire ULAR) publically available means placing the ULAR in a public space such as the utility's website, or making a clear and easily accessible statement on the website as to where a summary of the ULAR may be easily accessed. Simply providing a summary to a member of the public when requested and not being clear and explicit about the existence of the summary up front is not regarded as making the summary publically available."

4. Operation and compliance audits (Clause 7.6)

| | | |
|---|--|--|
| Provide details of how the licensee has, from time to time, undertaken audits of the services and operations authorised under its licence and of its compliance with its obligations under the licence and any law, code of practice, direction and guideline that it is to comply with under clause 6.2. | TransGrid has a Corporate Compliance Framework to enable the appropriate management of its compliance obligations across its operations. TransGrid's compliance audits are primarily based around its key management systems (Health and Safety, Environment, Asset Mangement and Quality). In addition, a Corporate Risk and Compliance function monitors compliance through independent reviews to challenge and improve compliance performance. The Corporate Compliance Framework was audited during FY19 and rated as established for the business. The combination of these is considered to provide satisfactory coverage of its operations in the ACT. | |
| Were the audits conducted by an independent expert or auditor nominated by the Licensee and approved by the Commission? | No | |
| Were the audit results reported in a manner approved by the Commission? | Not applicable | |

5. Technical and prudential criteria (Clause 8)

The licensee must, throughout the term of its licence, continue to satisfy the same technical and prudential criteria that it was required to meet as a condition of being granted the licence. Please provide a summary of details of the licensee's financial, technical and other capacity for 2018–19 which show it can continue to provide the services authorised in the licence.

Note: A copy of the Commission's technical and prudential criteria (Guideline) is available at <http://www.icrc.act.gov.au/utilities-licensing/licence-applications-surrenders-variations-and-revocations/>

There is no significant change to TransGrid's financial capacity that would place TransGrid's capacity to meet licence obligations at risk. TransGrid's financial statements for the 2018/19 financial year have been externally audited and no issues were raised that materially impact TransGrid's financial capacity. TransGrid has in place frameworks and systems addressing its technical criteria including Compliance Framework, Risk Management Framework, ISO 55001 Asset Management System certification, Electricity Network Safety Management System.

6. Charge and Assignment (Clause 10)

Were there any significant transfers in shareholdings (involving more than 50% of the shares) or changes in ownership in 2018–19?

No

If so, please provide details.

Not applicable



2.2 Utility licence conditions

Additional licence conditions (schedule 1)

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|-----------------------|--|
| Reporting requirement | <p>Supporting statement <i>Please provide quality information that you believe is relevant and will assist the Commission in its assessment.</i></p> |
|-----------------------|--|

1. Additional Utility Service Licence Conditions (Schedule 1)

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|--|--|
| Please provide a summary (or link to documents) of the licensee's adherence to, or implementation of, this schedule. | <p>Summary of the Asset Management System:</p> <ul style="list-style-type: none"> TransGrid has and maintains an Asset Management System that is consistent with the requirements of ISO 55001. TransGrid's Asset Management System has been independently certified by an appropriately qualified entity to be consistent with ISO 55001 requirements. TransGrid achieved re-certification to ISO 55001 in November 2017. TransGrid's Asset Management System is fully implemented and all relevant activities are carried out in accordance with this system. <p>Summary of the Environmental Management System:</p> <ul style="list-style-type: none"> TransGrid has and maintains an Environmental Management System that is consistent with ISO 14001 requirements. TransGrid's Environmental Management System has been independently certified by an appropriately qualified entity to be consistent with ISO 14001 requirements. TransGrid maintained this certified system in a fully implemented manner during 2018-2019. TransGrid completed environmental management activities during 2018-2019 in accordance with this system. |
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3.1 Authorising and contact officers

Authorising officer

The licensee's officer authorising the release of this information for electricity transmission services is:

| | |
|--------------------------------|---|
| Name | <u>Andrew McAlpine</u> |
| Title/position in organisation | <u>Asset Systems and Compliance Manager</u> |
| Postal address | <u>PO Box 87 Horsley Park, NSW, 2175</u> |
| Telephone | <u>(02) 9284 3000</u> |
| Email | <u>andrew.mcalpine@transgrid.com.au</u> |

Contact officer

The licensee's contact officer for regulatory and compliance issues for electricity transmission services is:

| | |
|------|----------------------|
| Name | <u>Hilary Priest</u> |
|------|----------------------|

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|--------------------------------|--|
| Title/position in organisation | Compliance Manager |
| Postal address | PO Box A1000 Sydney South, NSW, 1235 |
| Telephone | (02) 9284 3000 |
| Email | hilary.priest@transgrid.com.au |