



New South Wales

Electricity Supply (Safety and Network Management) Regulation 2008

under the

Electricity Supply Act 1995

His Excellency the Lieutenant-Governor, with the advice of the Executive Council, has made the following Regulation under the *Electricity Supply Act 1995*.

IAN MACDONALD, M.L.C.,
Minister for Energy

Explanatory note

The object of this Regulation is to remake, with some changes, the provisions of the *Electricity Supply (Safety and Network Management) Regulation 2002 (the former Regulation)* which is repealed on 1 September 2008 by section 10 (2) of the *Subordinate Legislation Act 1989*.

This Regulation now provides that the 4 plans, that may previously have been required from a network operator under the former Regulation, are now to be chapters of a single network management plan. Each chapter of that plan is now to be audited at the times required by the Director-General of the Department of Water and Energy (*the Director-General*). This Regulation also sets out the circumstances in which a distribution network service provider may disconnect premises from, or refuse to connect premises to, its distribution system.

This Regulation also makes provision with respect to the following:

- (a) the matters that must be included in a network operator's network management plan,
- (b) the auditing of that plan by an independent auditor,
- (c) the compliance of a network operator with its plan, including making the plan publicly available and reporting to the Director-General,
- (d) the power of the Director-General to exempt a network operator from the requirements of this Regulation,
- (e) savings, transitional and formal matters.

This Regulation is made under the *Electricity Supply Act 1995*, including sections 15 (3) and 106 (the general regulation-making power), in particular section 106 (1) (g1) and (g2).

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Clause 1 Electricity Supply (Safety and Network Management) Regulation 2008

Part 1 Preliminary

Electricity Supply (Safety and Network Management) Regulation 2008

under the

Electricity Supply Act 1995

Part 1 Preliminary

1 Name of Regulation

This Regulation is the *Electricity Supply (Safety and Network Management) Regulation 2008*.

2 Commencement

This Regulation commences on 1 September 2008.

Note. This Regulation replaces the *Electricity Supply (Safety and Network Management) Regulation 2002* which is repealed on 1 September 2008 under section 10 (2) of the *Subordinate Legislation Act 1989*.

3 Interpretation

(1) In this Regulation:

chapter of a plan means a chapter of a plan as referred to in clause 8 (2).

Director-General means the Director-General of the Department of Water and Energy.

plan means a network management plan referred to in clause 8 (1).

the Act means the *Electricity Supply Act 1995*.

(2) Notes in this Regulation do not form part of this Regulation.

4 Application

Parts 3, 4 and 5 of this Regulation apply in respect of a network operator only if the network operator is required to lodge a plan under clause 8.

Part 2 Disconnection from distribution system

5 Refusal to connect and disconnection of unsafe electrical installations

- (1) For the purposes of section 15 (3) of the Act, a distribution network service provider may disconnect premises from, or refuse to connect premises to, its distribution system if the provider reasonably considers that the electrical installation on the premises is, or is likely to become unsafe if the premises are, or continue to be, connected to the distribution system.
- (2) A distribution network service provider that refuses to connect premises to the distribution system under subclause (1) must, if reasonable to do so, notify the person seeking to have the premises connected of the steps that need to be taken to enable that connection to occur.
- (3) Before a distribution network service provider disconnects premises from the distribution system under subclause (1), it must, if reasonable to do so, notify each customer in respect of the premises of the proposed disconnection and the steps (if any) that can be taken to avoid the premises being disconnected.

6 Disconnection where immediate danger

Despite clause 5 (3), a distribution network service provider may immediately disconnect premises from its distribution system if the provider reasonably considers that there is an immediate danger to life or property or an immediate risk of starting a fire if the premises continue to be connected to the distribution system.

7 Persons on life support systems

Before a distribution network service provider takes action under this Part to disconnect premises from the distribution system, it must ensure that provision is made for the safety of any person on those premises whose life may be endangered if electricity is no longer available for the operation of a medical device used by the person.

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Clause 8 Electricity Supply (Safety and Network Management) Regulation 2008

Part 3 Plan to be lodged and implemented by network operator

Part 3 Plan to be lodged and implemented by network operator

8 Network operators may be required to lodge plan

- (1) A network operator must, if notified in writing to do so by the Director-General, lodge a network management plan with the Director-General, within such period as may be specified in the notice.
Maximum penalty: 100 penalty units (in the case of a corporation) and 25 penalty units (in any other case).
- (2) The network management plan is to consist of the following:
 - (a) chapter 1 dealing with network safety and reliability,
 - (b) chapter 2 dealing with customer installation safety,
 - (c) chapter 3 dealing with public electrical safety awareness,
 - (d) chapter 4 dealing with bush fire risk management.
- (3) A network operator that is a distribution network service provider does not comply with a requirement under subclause (1) in respect of a network management plan unless the plan complies with any requirements imposed on the network operator by any relevant conditions of the network operator's distribution network service provider's licence.
- (4) A network operator must implement the plan it lodges under this clause.
Maximum penalty: 100 penalty units (in the case of a corporation) and 25 penalty units (in any other case).
- (5) The Director-General, when exercising functions under this clause, is to have regard to the following:
 - (a) the size, nature and complexity of the network operator's transmission or distribution system,
 - (b) any inadequacy in the planning, design, construction, operation or maintenance of that system that has given rise to, or may give rise to, a failure to provide an adequate, reliable or safe supply of electricity of appropriate quality.

9 Chapter 1 of plan—network safety and reliability

- (1) The object of chapter 1 of a network management plan is to ensure that the transmission system or distribution system to which it relates provides an adequate, reliable and safe supply of electricity of appropriate quality.

- (2) Chapter 1 of a plan must include (but is not limited to) the following:
- (a) a commitment by the network operator to ensuring the safe operation of its transmission or distribution system, and to giving safety the highest priority over all other aspects of network management,
 - (b) a description of the transmission or distribution system and its design, construction, operation and maintenance,
 - (c) a description of the planning process employed for the purpose of assessing the adequacy of the transmission or distribution system and the need for development of the transmission or distribution system, including if appropriate:
 - (i) demand management methodologies, and
 - (ii) system reliability planning standards on a customer class or group, or geographic basis, for each distinct voltage level,
 - (d) a description of the asset management strategies employed for the purposes of the design, construction, operation and maintenance of the transmission or distribution system, including:
 - (i) risk management and public liability insurance arrangements, and
 - (ii) planned customer technical service standards for quality and reliability of supply,
 - (e) a description of the safety management strategy employed for the purpose of ensuring the safe operation of the transmission or distribution system, including:
 - (i) an analysis of hazardous events, and
 - (ii) the procedures to be implemented in the event of an emergency, and
 - (iii) the procedures and standards designed to ensure that the network operator's employees, contractors to the network operator and their employees and any other persons working on or near the system's electricity works have the competencies required to undertake the work safely, and
 - (iv) a strategy to ensure adherence to safe working procedures,
 - (f) if the network operator is a distribution network service provider, references to documents outlining the strategies employed to ensure compliance with licence conditions relating to the design, reliability and performance criteria of the distribution network,
 - (g) a description of the plan's objectives and of appropriate performance indicators,

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Part 3 Plan to be lodged and implemented by network operator

- (h) a description of the reports to be made to the Director-General in relation to the management and performance of the transmission or distribution system (*the schedule of reports*),
 - (i) a description of the codes, standards and guidelines that the network operator intends to follow in the design, installation, operation and maintenance of the transmission or distribution system.
- (3) Chapter 1 of a plan must comply with Schedule 1.
 - (4) The schedule of reports must include such reports in relation to the management and performance of the network operator's transmission or distribution system as the Director-General, by notice in writing to the network operator, directs to be included.
 - (5) A network operator must lodge with the Director-General, in accordance with the plan, the reports specified in the schedule of reports.
Maximum penalty: 100 penalty units (in the case of a corporation) and 25 penalty units (in any other case).

10 Chapter 2 of plan—customer installation safety

- (1) The object of chapter 2 of a plan is to ensure the provision of safe electrical installations for connection to the transmission or distribution system to which they relate and the safe connection of such installations to that system.
- (2) Chapter 2 of a plan must include (but is not limited to) the following:
 - (a) design, construction and maintenance standards required of customers for their electrical installations,
 - (b) testing, connection and notification criteria for contractors installing electrical installations,
 - (c) an inspection regime and procedures for directions to remedy faulty work and the disconnection of unsafe installations by the network operator,
 - (d) procedures for notifying the Director-General (within the meaning of the *Fair Trading Act 1987*) of defective installation work.
Note. The *Fair Trading Act 1987* defines Director-General as the Commissioner for Fair Trading, Department of Commerce or if there is no such position in that Department, the Director-General of that Department.
- (3) This clause does not apply to electrical installations that take a supply at or above 132,000 volts (nominal).

11 Chapter 3 of plan—public electrical safety awareness

The object of chapter 3 of a plan is to warn the public of the hazards associated with electricity in relation to a network operator's transmission or distribution system. The chapter must be based on an assessment of the risks associated with the system and an analysis of any accidents or incidents.

12 Chapter 4 of plan—bush fire risk management

- (1) The objects of chapter 4 of a plan are as follows:
 - (a) to ensure public safety,
 - (b) to establish standards that must be observed when electricity lines operate near vegetation,
 - (c) to reduce interruptions to electricity supply that are related to vegetation,
 - (d) to minimise the possibility of fire ignition by electricity lines.
- (2) Chapter 4 of a plan is to include (but is not limited to) the following:
 - (a) provisions that identify bush fire prone areas and that set out a process for identifying network assets capable of initiating bush fires and a system for ensuring that all such information is kept up-to-date,
 - (b) provisions that ensure that network assets located in bush fire prone areas and capable of initiating bush fires are inspected, tested and maintained in accordance with the maintenance schedule set out in analysis of hazardous events in the plan,
 - (c) provision for the review of equipment types or construction methods known in their operation or design to have bush fire ignition potential and a mitigation strategy in relation to their use,
 - (d) information relating to rights and duties of the customers with private lines and the dangers of trees coming into contact with those lines,
 - (e) provisions that ensure that any private overhead electricity lines located in bush fire prone areas and capable of initiating a bush fire are inspected, tested and maintained in accordance with the maintenance schedule set out in the analysis of hazardous events in the plan, and that standards are enforced by the network operator,
 - (f) provision for a complaints recording system in relation to bush fire risk management and provisions that ensure that appropriate investigations and remedial actions are undertaken as required,

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Part 3 Plan to be lodged and implemented by network operator

- (g) provision for liaison and consultation with the NSW Rural Fire Service, New South Wales Fire Brigades, councils for relevant local government areas and any other relevant government departments,
 - (h) information for the general public about the fire hazards associated with overhead power lines and vegetation, particularly during storms and conditions of high fire hazard,
 - (i) a description of any special procedures or precautions proposed to be taken during conditions of very high fire danger, including work practices by staff, fault location procedures, automatic and manual reclosing of lines and protection settings,
 - (j) a description of the reports to be made to the Director-General in relation to the control of the risk of bush fire resulting from the network operator's transmission or distribution system (*the schedule of reports*).
- (3) The schedule of reports must include such reports in relation to the control of the risk of bush fire resulting from the network operator's transmission or distribution system as the Director-General, by notice in writing to the network operator, directs to be included.
- (4) A network operator must lodge with the Director-General, in accordance with the plan, the reports specified in the schedule of reports.
- Maximum penalty: 100 penalty units (in the case of a corporation) and 25 penalty units (in any other case).

13 Director-General may direct network operators to take into account codes, standards or guidelines

- (1) In developing and implementing a chapter of its plan, a network operator must take into account such codes, standards or guidelines as the Director-General, by notice in writing to the network operator, requires to be taken into account in the development and implementation of the chapter.
- (2) A chapter of a plan must specify where it or its implementation departs from the provisions of any such code, standard or guideline and what arrangements are in place to ensure an equal or better outcome.

14 Network operators to review plans

- (1) A network operator is to review and, if necessary, revise its network management plan:
 - (a) as soon as practicable after any significant change (including any significant incremental change) occurs in relation to the operation or maintenance of the electricity network, and

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- (b) in any case, at least once every 2 years (starting from the date of lodgment of the network management plan under clause 8).

Maximum penalty: 100 penalty units (in the case of a corporation) and 25 penalty units (in any other case).

- (2) For the purposes of subclause (1) (a), a significant change includes (but is not limited to):
 - (a) any upgrade or modification in the engineering design of the electricity network, and
 - (b) any other change in the risks to be managed by the network operator in relation to the electricity network or in relation to the measures to be taken to manage such risks.

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Clause 15 Electricity Supply (Safety and Network Management) Regulation 2008

Part 4 Audit requirements

Part 4 Audit requirements

15 Plan to be audited

- (1) A network operator must ensure that its plan is audited in accordance with this Regulation at such times as the Director-General may specify by notice in writing to the network operator.
- (2) A network operator must lodge with the Director-General a report prepared by the auditor in relation to that audit, as soon as practicable after the completion of the audit or within such other time as may be specified by the Director-General by notice in writing to the network operator.

Maximum penalty: 100 penalty units (in the case of a corporation) and 25 penalty units in any other case.

16 Nomination of auditor to conduct audit

- (1) An audit of a plan is to be carried out by a person who has been nominated by the network operator by notice in writing to the Director-General.
- (2) The nominated auditor is to be a person who:
 - (a) is independent of the network operator, and
 - (b) is competent to exercise the functions of an auditor under this Regulation in respect of the plan.
- (3) The nomination of an auditor by a network operator ceases to have effect for the purposes of this Regulation if the Director-General advises the network operator, by notice in writing, that the nomination is not acceptable or has ceased to be acceptable.
- (4) The Director-General may nominate an auditor to carry out an audit of a network operator's plan, and the person so nominated is taken to have been nominated by the network operator, if:
 - (a) the nomination of an auditor by the network operator ceases to have effect, or
 - (b) the network operator fails to nominate an auditor to carry out the audit in accordance with any requirements specified by the Director-General by notice in writing to the network operator.

17 Requirements of audit

- (1) The report prepared by an auditor in relation to an audit of a plan is to include an audit certificate.

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- (2) An *audit certificate* is a certificate that certifies the auditor's opinion as to the following matters:
- (a) whether the plan complies with this Regulation,
 - (b) whether the plan is appropriate having regard to the size and complexity of the transmission or distribution system (subject to any exemptions given under this Regulation),
 - (c) whether the plan is being properly implemented and whether the safeguards proposed or implemented in the plan, that are intended to protect operating personnel, plant, equipment, the community and the environment, are being implemented,
 - (d) whether properly trained and equipped personnel are available to implement the policies and procedures set out in the plan,
 - (e) whether any measures to rectify non-compliance with the plan detected in any previous audit have been undertaken and are effective.
- (3) The audit certificate must also include a summary of the standards, procedures, policies, tests, inspections and maintenance measures contained in the plan.

18 Additional report requirements—network safety and reliability

The report prepared by an auditor in relation to an audit of chapter 1 of a plan must also include the following:

- (a) a review of the plan for adequacy and appropriateness having regard to any changes in the network operator's transmission or distribution system since the previous audit,
- (b) an appraisal of the organisational quality management arrangements intended to ensure that the transmission or distribution system is planned, designed, constructed, operated and maintained in accordance with the plan,
- (c) an appraisal of the reliability and integrity of information reported under the plan, including an analysis of the following:
 - (i) the documented procedures for measuring, processing and reporting data, measurement systems, information systems and quality controls,
 - (ii) the extent to which relevant staff demonstrate an understanding of those documented procedures, measurement systems, information systems and quality controls,
 - (iii) evidence that those documented procedures, measurement systems, information systems and quality controls are being observed or properly implemented,

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Part 4 Audit requirements

- (iv) the extent to which any reported data have been estimated or extrapolated rather than measured directly,
- (d) an appraisal of the involvement by senior management and the board of the network operator in approving the plan.

19 Additional audits may be required

- (1) Without limiting clause 15, the Director-General may, by notice in writing to a network operator, require the network operator to carry out, or to provide such assistance and cooperation as is reasonable for the purposes of carrying out, a further audit of a chapter of its plan if:
 - (a) the Director-General is not satisfied as to any aspect of an audit carried out by an auditor nominated by the network operator, or
 - (b) the Director-General is satisfied that a further audit is required in order to verify that the relevant chapter is being implemented.
- (2) The Director-General may require such a further audit to be carried out by an auditor nominated or appointed by the Director-General.
- (3) The audit may relate to any or all of the matters referred to in clause 17 or 18.
- (4) A network operator must not fail to comply with a requirement made by the Director-General under this clause.
Maximum penalty: 100 penalty units (in the case of a corporation) and 25 penalty units (in any other case).

Part 5 Compliance with plan

20 Availability of plan

A network operator:

- (a) must cause a copy of its plan to be kept at its principal office, and
- (b) must cause a copy of its plan to be made available for inspection on the website (if any) of the network operator, and
- (c) must cause copies of its plan to be made available in such a way that, as far as practicable, the provisions are brought to the notice of the persons likely to be involved in its implementation.

Maximum penalty: 100 penalty units (in the case of a corporation) and 25 penalty units (in any other case).

21 Network operators to measure and report on network performance

- (1) A network operator must measure its performance against its plan, and against such standards applicable to the network operator as are required by the Director-General after consultation with the network operator.
- (2) A network operator must:
 - (a) publish the results of its performance measurements annually, and
 - (b) cause copies of those results:
 - (i) to be kept at its principal office, and
 - (ii) to be made available for inspection on the website (if any) of the network operator, and
 - (iii) to be made available in such a way that, as far as practicable, the results are brought to the notice of customers and the public.

Maximum penalty: 100 penalty units (in the case of a corporation) and 25 penalty units (in any other case).

- (3) A network operator must, before publishing the results of its performance measurements, give the Director-General notice in writing of its intention to publish those results and of the date from which it proposes to make those performance measurements available under subclause (2) (b).

Maximum penalty: 100 penalty units (in the case of a corporation) and 25 penalty units (in any other case).

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Clause 22 Electricity Supply (Safety and Network Management) Regulation 2008

Part 5 Compliance with plan

22 Further reports to be submitted to Director-General

- (1) The Director-General may, by notice in writing to a network operator, require the network operator to lodge with the Director-General, within the time specified in the notice, a report relating to any injury, incident, system failure or other matter relating to the network operator's transmission or distribution system.
- (2) A network operator must not fail to comply with a requirement made by the Director-General under this clause.
Maximum penalty: 100 penalty units (in the case of a corporation) and 25 penalty units (in any other case).

23 Certain work to be carried out in accordance with plan

A person must not carry out work on or near a network operator's transmission or distribution system and a network operator must not allow a person to carry out work on or near its transmission or distribution system unless:

- (a) the person is qualified, under the relevant requirements set out in chapter 1 of the network operator's plan, to carry out the work, and
- (b) the work is carried out in accordance with the relevant requirements of that chapter.

Maximum penalty: 100 penalty units (in the case of a corporation) and 25 penalty units (in any other case).

24 Director-General may direct compliance with plan

- (1) If the Director-General is of the opinion that a network operator is not:
 - (a) complying with the requirements of the network operator's plan or any codes, standards or guidelines set out or referred to in the plan, or
 - (b) following any procedures set out or referred to in the plan,the Director-General may, by order in writing, direct the network operator to take such action as is specified in the order to comply with those requirements, codes, standards or guidelines or follow those procedures.
- (2) A network operator must not fail to comply with any direction made by the Director-General under this clause.
Maximum penalty: 100 penalty units (in the case of a corporation) and 25 penalty units (in any other case).

25 Director-General may direct amendment of plans

- (1) If the Director-General is of the opinion:
 - (a) that a network operator's plan will not produce a satisfactory outcome in terms of providing an adequate, reliable and safe supply of electricity of appropriate quality, or
 - (b) that its implementation has given rise to, or may give rise to, a situation that is unsafe or where the adequacy of the network is unsatisfactory,the Director-General may, by order in writing, direct the network operator to amend the plan in such manner as is specified in the order, or to lodge with the Director-General an action plan in relation to the matters specified in the order.
- (2) A network operator must not fail to comply with any direction made by the Director-General under this clause.

Maximum penalty: 100 penalty units (in the case of a corporation) and 25 penalty units (in any other case).
- (3) The Director-General must not direct that an amendment to a plan be made if the amendment would make it inconsistent with the National Electricity Rules.

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Clause 26 Electricity Supply (Safety and Network Management) Regulation 2008

Part 6 Miscellaneous

Part 6 Miscellaneous

26 Exemptions

- (1) The Director-General may exempt a network operator from any requirement of this Regulation if of the opinion that the requirement is inappropriate having regard to:
 - (a) the nature, size and complexity of the network operator's transmission or distribution system, or
 - (b) in the case of a network operator that is a distribution network service provider, the requirements imposed on the network operator by the conditions of its distribution network service provider's licence.
- (2) The Director-General may revoke any such exemption.

27 Savings and transitional

- (1) Any act, matter or thing that, immediately before the repeal of the *Electricity Supply (Safety and Network Management) Regulation 2002*, (**the former Regulation**) had effect under that Regulation continues to have effect under this Regulation.
- (2) A reference in this Regulation to:
 - (a) Chapter 1, 2, 3 or 4 of a network management plan is taken to include a reference to the network operator's network management plan, customer installation safety plan, public electrical safety awareness plan or bush fire risk management plan, respectively, under the former Regulation, and
 - (b) a network management plan is taken to include a reference to the network operator's network management plan, customer installation safety plan, public electrical safety awareness plan and bush fire risk management plan, under the former Regulation.
- (3) A network operator that was required to lodge a plan (the **former plan**) under the former Regulation must, by 1 March 2009, lodge under clause 8 the chapter of the network management plan that corresponds to that former plan.

Schedule 1 Chapter 1 of network management plan—network safety and reliability

(Clause 9 (3))

1 Description of transmission or distribution system

A description of a transmission or distribution system and its planning, design, construction, operation and maintenance must include references to the following:

- (a) maps showing the location of the system's electricity works and the procedures for gaining access to those maps,
- (b) design and construction standards and procedures for the system's electricity works,
- (c) system reliability planning standards,
- (d) technical customer service standards for quality and reliability of supply,
- (e) maintenance standards and procedures for the system's electricity works,
- (f) operation and work procedures for the system (including procedures for work on or near both de-energised and live electricity works),
- (g) safety equipment design, use and maintenance standards and procedures for the system,
- (h) a description of the engineering records, drawings and maps that the network operator maintains relating to the system.

2 Description of planning process

A description of the planning process employed for the purpose of assessing the adequacy of the transmission or distribution system and the need for development of the transmission or distribution system must include the following:

- (a) the process used for setting system reliability planning standards and identifying development needs and demand management opportunities,
- (b) strategies for managing and complying with that process and those standards.

3 Description of asset management strategies

A description of the asset management strategies employed for the purposes of the design, construction, operation and maintenance of the transmission or distribution system must include the following:

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Schedule 1 Chapter 1 of network management plan—network safety and reliability

- (a) the process used for setting design, construction, operation and maintenance standards and customer technical service standards for quality and reliability of supply,
- (b) strategies for managing and complying with that process and those standards.

4 Analysis of hazardous events

- (1) An analysis of hazardous events must, consistent with the size and complexity of the transmission or distribution system:
 - (a) systematically identify hazardous events that might be expected to occur, and
 - (b) identify the potential causes of those events, and
 - (c) state the possible consequences of those events, and
 - (d) specify operational, maintenance and organisational safeguards intended to prevent those events from occurring or, should they occur, intended to protect operating personnel, plant, equipment, the community and the environment.
- (2) The operational and maintenance safeguards must include a maintenance schedule indicating, among other things, the type and frequency of inspections and tests of the transmission or distribution system (including checks on protection devices).
- (3) In the case of new transmission or distribution systems, an analysis of hazardous events should also take into account hazardous events occurring during construction.

5 Emergencies

- (1) The types of emergencies in respect of which procedures are to be implemented include:
 - (a) fires, explosions and impacts (with particular reference to those caused by the activities of other parties), and
 - (b) natural disasters, and
 - (c) civil disturbances.
- (2) A plan must demonstrate that the network operator regularly tests and, as far as practicable, has proved the emergency procedures.

BY AUTHORITY
