

Statement in support of application for merger authorisation
Annexure 'TH-6'

**PROPOSED ACQUISITION BY BROOKFIELD LP AND MIDOCEAN ENERGY OF ORIGIN
ENERGY LIMITED**

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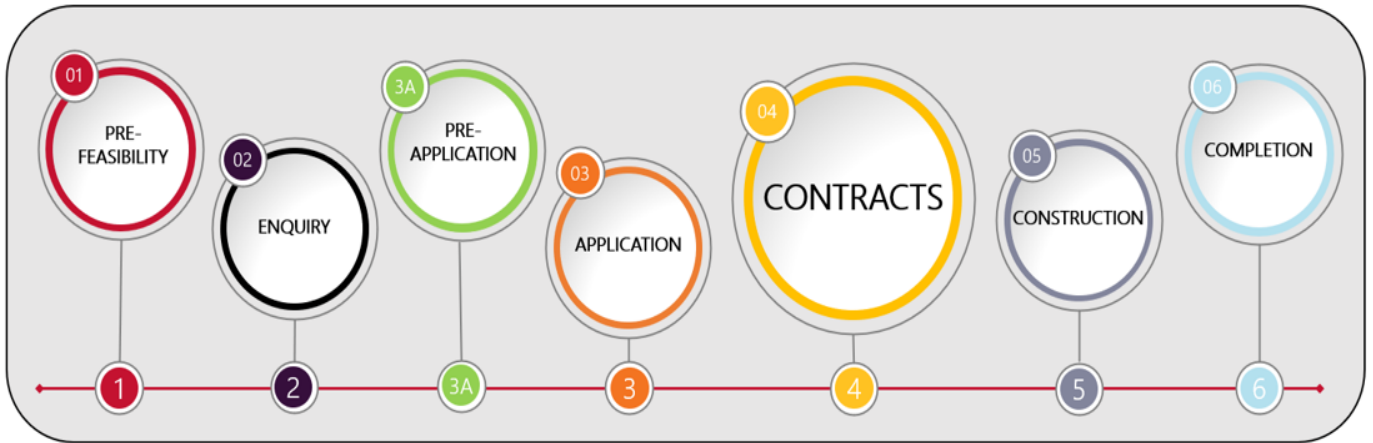
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Stage 4 - Contracts



Having received a complete application to connect, AEMO prepares an offer to connect. Where an augmentation to the Declared Shared Network (DSN) is required, the contracts required to effect the connection can be quite complex. The Use of System Agreement (UoSA) documents AEMO's offer to connect, which is usually accompanied by a number of other contracts in executable form and which meet the formal requirements for connection and network agreements (amongst others). Their number, form, and the time taken to execute will vary depending on:

- Project size.
- Plant type.
- DSN augmentation requirement.
- Contestability of the proposed augmentation.

For projects that don't require an augmentation to the DSN, AEMO will usually execute two contracts (see *Figure 1*):

- UoSA with Connection Applicant.
- Network Services Agreement (NSA) with the incumbent Declared Transmission System Operator (DTSO).

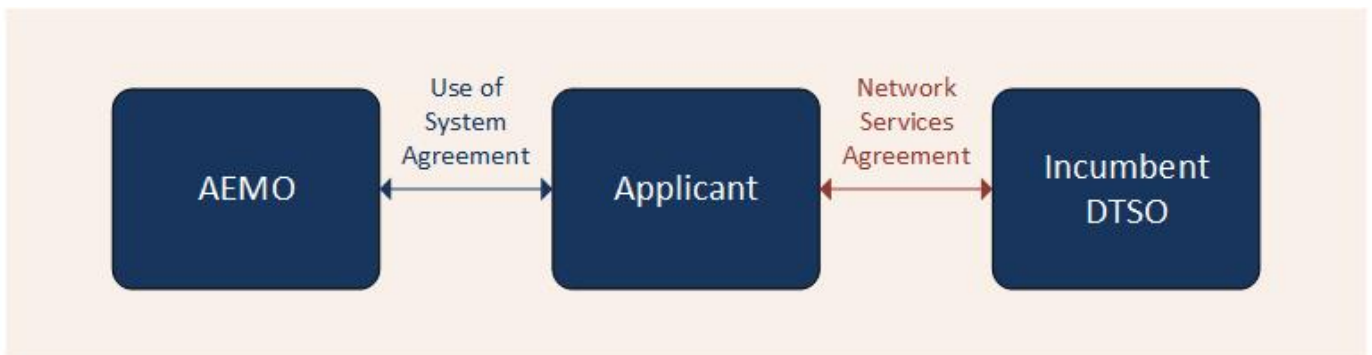


Figure 1: Contracts for a project that doesn't require augmentation

For projects that require augmentation to the DSN and consist of contestable works and non-contestable works (e.g. interface and other minor and non-separable works) there are two alternative ways to develop the required augmentation:

- AEMO selects the parties to build, own, and operate the shared network. AEMO conducts an invitation to tender (ITT) to choose the contestable service provider, and organises the non-contestable portion of the works under clause 8.11.7 of the National Electricity Rules (Rules); or
- The Connection Applicant nominates a DTSO to build, own, and operate the augmentation, and AEMO procures shared network services from the nominated DTSO. The Connection Applicant conducts an ITT for the contestable portion of the augmentation under clause 8.11.8 of the Rules.

AEMO determines whether the augmentation is contestable or non-contestable.

The contract structure for a contestable project is independent of who selects the party to build, own, and operate the augmentation. The contract structure is shown in *Figure 2*.

For a non-contestable DSN augmentation, the incumbent DTSO will build, own and operate the augmentation. The contract structure is shown in *Figure 3*.

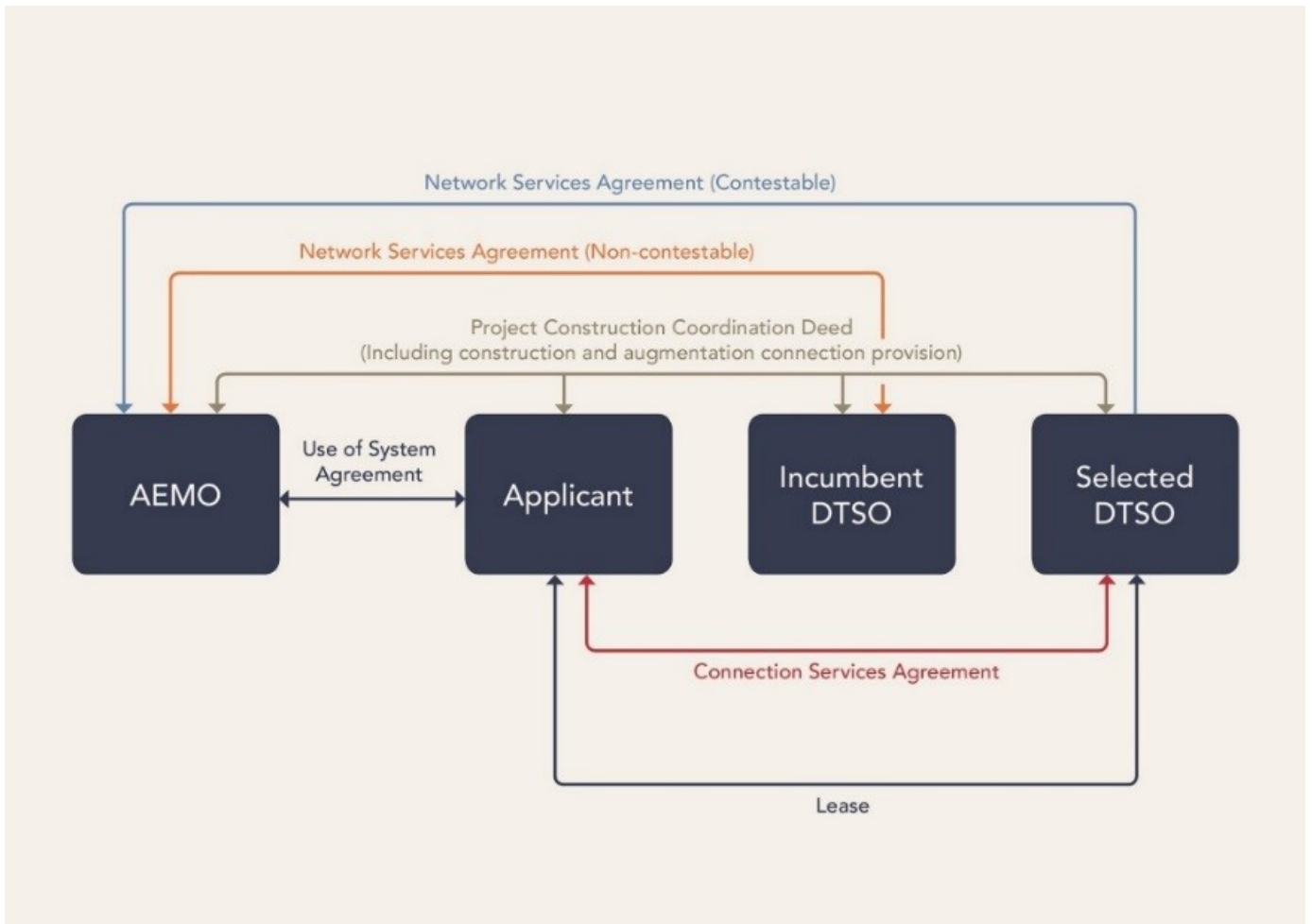


Figure 2: Contracts structure for a contestable project requiring augmentation

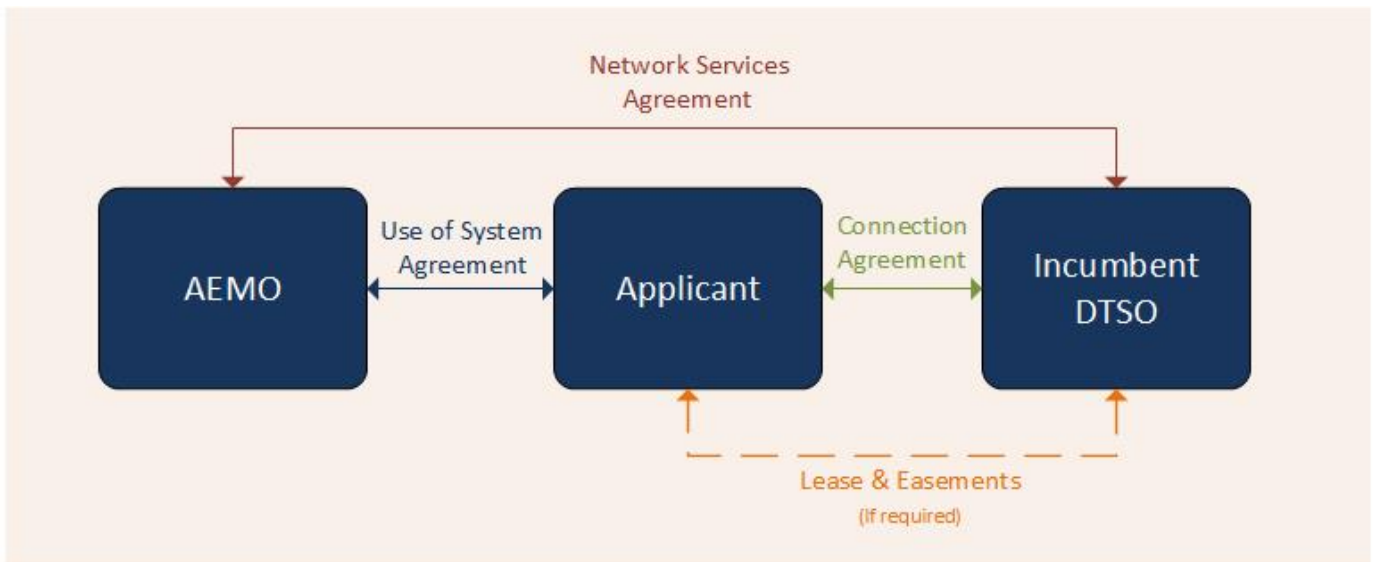


Figure 3: Contracts for a non-contestable project requiring augmentation – incumbent DTSO builds, owns and operates the augmentation (Lease & Easements required if assets are to be situated on land not owned by the DTSO)

Roles and responsibilities summary

AEMO: executes required contracts with incumbent DTSO, the Connection Applicant and selected DTSO (if contestable).

Connection Applicant: executes contracts with AEMO and other parties, as necessary.

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