Works Enablement Update - Changes to Performance Security for Developer Design and Construct Works

TARGET AUDIENCE
Manager Regional Services, Regional Asset Managers, Regional Asset Coordinators, Area Asset Officers, Customer Connections Technical Officers, Design Consultants, Customer Connection Managers, Customer Connection Officers, Developer Works Coordinators & Assessment Officers

INTRODUCTION
This document provides an explanation of the changes to the performance security pending updates to relevant process documentation.

Performance Security:
Where a performance security is requested, a minimum of $10,000 performance security will be required for all subdivision projects covered by a Network Extension Agreement.

Ergon Energy will calculate the performance security based on *$2,500 per lot for each Developer Design and Construct URD or C&I subdivision or stage.

*At Ergon Energy’s discretions, Ergon Energy may increase the performance security or not offer a performance security based on perceived risk to Ergon Energy.

No Performance Security:
The developer has the option of not having a performance security in place and in this case a Certificate for Electricity Supply will not be issued until completion of works. At the satisfactory completion of works, the Certificate of Electrical Supply will be issued along with the Certificate of Acceptance for those works. If the developer commences and undertakes works covered by a Network Extension Agreement (NEA) and then decides at a later time they require a Certificate for Electricity Supply, Ergon Energy may decide (at its absolute discretion) to:

Not accept a performance security from the developer and not issue a Certificate of Electrical Supply until the completion of the works; or
Accept a performance security from the developer at the rate of $2500 per lot (or min $10,000) regardless of the amount of works completed and issue a Certificate of Electrical Supply. In this circumstance a new NEA will be required and a resubmission fee may be applicable.

WHAT’S DIFFERENT
The amount of performance security has changed from 100% of the electrical construction cost to a $2,500 per lot amount.

At Ergon Energy’s discretions, Ergon Energy may increase the performance security or not offer a performance security based on perceived risk to Ergon Energy. The Customer Connections Manager will make this call if a perceived risk is identified.

WHEN WILL CHANGES TAKE EFFECT
These changes are effective as of publication of this Operational Update.