



17 May 2012

The Director-General  
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Attention: Mr Glenn Snow

Dear Sirs,

**City Grid Project: Modification to project approval MP 10\_0071 (City East - Stage 2A(i))**

Ausgrid is undertaking the City Grid Project being a major electricity infrastructure project in the City of Sydney. Project approval MP 10\_0071 (**Approval**) granted on 13 July 2011 consents Ausgrid to undertake demolition of an existing office building at 33 Bligh Street. This site known as City East will house a new zone substation and integrated commercial office tower (to be approved by a separate project approval).

The Approval contains Condition A1(c) which requires Ausgrid to carry out the project generally in accordance with the "Submissions Response and Preferred Project Report" dated March 2011. That report contains a Statement of Commitments, which includes the following commitment:

*"Prior to commencement of construction, property agreements would be developed between EnergyAustralia [Ausgrid] and owners of impacted neighbouring buildings."*

The intention of this commitment is that no work would occur on neighbouring land, that is work that "impacts" the neighbouring buildings, unless property agreements are developed with the owners of those buildings.

Ausgrid has been in discussions and negotiation for over 18 months with the immediate neighbouring landowners, and has reached agreement with some of the owners but not all. In undertaking these negotiations Ausgrid has been using its best endeavours to reach agreement with those owners.

While Ausgrid believes that it can commence work under the Approval while agreement has yet to be reached with all of the neighbouring owners, it is preferable to modify the conditions of the Approval to ensure that the intent of the commitment is put beyond doubt.

Ausgrid request that the Minister impose the following additional condition on the Approval:

*"Work may be carried out on the Site at any time but no work is to be carried out on neighbouring land until legal access to that land has been obtained."*

Condition A3(a) will ensure that the new condition will prevail over the commitment contained in the Submissions Response and Preferred Project Report.

This condition also allows for the possibility that Ausgrid may have to access the neighbouring land through Court order or otherwise in circumstances where an agreement with the neighbouring landowners cannot be reached and access is required.

This modification request should be approved for the following reasons:

- Clarification of the Approval conditions is vital to a project of this size and importance to the community.
- There are no adverse environmental impacts as the impacts of the approved work have already been assessed. This modification clarifies the timing of when work on the Site may be carried out.
- The neighbouring landowners are placed in no worse position. Ordinarily agreements with neighbouring owners would not prevent work being carried out under a planning approval in circumstances where access to neighbouring land is not required. Ausgrid accepts that it cannot undertake any work on neighbouring land without the owner's consent or some other legal right to enter that land.
- The statement of commitment may never be capable of being complied with as legal access to the neighbouring land may have to be obtained by an access order from a Court or otherwise.

This request follows recent correspondence from George Maltabarow (Ausgrid's Managing Director) to Mr Sam Haddad, dated 7 March 2012, seeking active involvement and assistance in resolution of the neighbouring agreements in order that the project can move forward efficiently. The project is required to be complete by the end of 2016 and further delay to the commencement of these works will seriously jeopardise the reliability of electricity supply to the heart of the CBD.

Yours faithfully,



Wilma Penrose  
Director- Area Development, Sydney CBD & East  
**Ausgrid**

cc Chris Wilson  
Neville Osborne