

Decision on Authority initiated licence amendments

- Electricity Networks Corporation (trading as Western Power) (ETL2)
- Electricity Retail Corporation (trading as Synergy) (GTL8)
- Electricity Retail Corporation (trading as Synergy) (ERL1)
- Alinta Sales Pty Ltd (ERL6)
- Clear Energy Pty Ltd (ERL14)
- ERM Power Retail Pty Ltd (ERL15)
- Goldfields Power Pty Ltd (ERL4)
- Griffin Power Pty Ltd (ERL12)
- Landfill Gas & Power Pty Ltd (ERL11)
- Newmont AP Power Pty Ltd (ERL13)
- Newmont Power Pty Ltd (ERL9)
- Perth Energy Pty Ltd (ERL10)
- Premier Power Sales Pty Ltd (ERL5)
- TEC Desert Pty Ltd & TEC Desert No. 2 Pty Ltd (trading as Southern Cross Energy Partnership) (ERL7)

19 September 2012

Economic Regulation Authority

WESTERN AUSTRALIA

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DECISION

1. In accordance with section 22 of the *Electricity Industry Act 2004* (**Electricity Act**) and section 11W of the *Energy Coordination Act 1994* (**Gas Act**), the Economic Regulation Authority (**Authority**) has, on its own initiative, amended by substitution the licences of:
 - Electricity Networks Corporation (trading as **Western Power**) (ETL2)
 - Electricity Retail Corporation (trading as **Synergy**) (**GTL8**)
 - Electricity Retail Corporation (trading as Synergy) (ERL1)
 - Alinta Sales Pty Ltd (ERL6)
 - Clear Energy Pty Ltd (ERL14)
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2. The licence area maps of all licensees were amended consistent with recent amendments to Western Power's Electricity Distribution Licence 1 (**EDL1**). In particular, any references to the South West interconnected system were removed from the titles of the licence area maps.
3. As required by section 23(1) of the Electricity Act and section 11W(4) of the Gas Act, the Authority will publish a notice of the amendments in the *Government Gazette* as soon as is practicable.

REASONS

4. On 30 July 2012, the Authority approved amendments to Western Power's EDL1. The amendments consisted of an extension of Western Power's licence area to include the existing high voltage distribution line to the Randall Goldmine in Kalgoorlie.
5. In considering the amendment to EDL1, the Authority sought legal advice in relation to the use of the term "South West interconnected system" on the licence area map to describe the amended licence area.
6. The term "South West interconnected system" is a defined term in section 3 of the Act. In summary, the South West interconnected system refers to the interconnected

transmission and distribution systems, generating works and associated works located within the South West of Western Australia.

7. As the term “South West interconnected system” refers to the interconnected system of generation works, transmission and distribution systems, a map which only illustrates Western Power’s distribution system may not necessarily indicate the full extent of the “South West interconnected system”. Therefore, it could be argued that use of the term “South West interconnected system” in the title of the licence area map for EDL1 is confusing.
8. To remove any confusion as to the extent of the South West interconnected system, the Authority requested that Western Power remove the reference to South West interconnected system from the title of the map. Western Power made the suggested amendment.
9. The Authority then reviewed the licence area maps of all other licensees operating within the South West interconnected system. The review identified 12 electricity retail licences, one electricity transmission licence and one gas trading licence whose licence area maps included the term “South West interconnected system” in the title of the map. These are:
 - Electricity Networks Corporation (trading as Western Power) (ETL2)
 - Electricity Retail Corporation (trading as Synergy) (GTL8)
 - Electricity Retail Corporation (trading as Synergy) (ERL1)
 - Alinta Sales Pty Ltd (ERL6)
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10. The review also identified that Synergy’s gas supply area map corresponded with Western Power’s licence area map for EDL1. The Gas Act provides for the constitution of gas supply areas by the Governor. There are currently eight gas supply areas within Western Australia. The Authority proposed that, consistent with the supply area maps of other gas trading licensees, Synergy’s supply area map for GTL8 be amended to refer to one or more of the gas supply areas as designated by the Governor.

11. In consultation with the Authority, Synergy agreed to amend its supply area map for GTL8 to refer to the Coastal, Great Southern and Goldfields-Esperance gas supply areas.
12. The Authority further proposed to amend the licence area maps of the relevant retail licensees consistent with Western Power's new licence area map for EDL1 and to include, where relevant, the licensee's trading name on the licence area map.
13. In accordance with clause 11 of the licences, the Authority wrote to all affected licensees advising them of its intent to amend the relevant licences by substitution. All licensees were given 15 business days to make submissions on the proposed amendments. No comments were received.
14. The Authority's *Public Consultation Guidelines - For Electricity, Gas & Water Licences and Electricity & Gas Standard Form Contracts (July 2006)* provide that if, in the Authority's view, an amendment to a licence is minor, subject to its legislative obligations, the Authority will not generally engage in public consultation. The Authority has considered the proposed amendments and is of the view that they are minor. Therefore, the Authority has not undertaken public consultation on the proposed amendments.
15. Section 9(1) of the Electricity Act and section 11K of the Gas Act state that the Authority must not exercise a power conferred by Part 2, Division 3 of the Electricity Act or Part 2A, Division 4 of the Gas Act (general licensing provisions) unless the Authority is satisfied that it would not be contrary to the public interest to do so.
16. Section 9(2) of the Electricity Act and section 11K(2) of the Gas Act provide that, when determining whether the exercise of the power would not be contrary to the public interest, the Authority must, without limiting the other matters that may be taken into account, take into account the matters referred to in section 8(5) of the Electricity Act and section 11H(3) of the Gas Act.
17. The Authority has not found any evidence that the proposed amendments would be contrary to the public interest. Accordingly, the Authority has decided to amend by substitution the licences listed in paragraph 9 of this decision.