



# Electricity Integrated Regional Licence

Rottnest Island Authority

EIRL3, Version 5, 1 July 2015

**Economic Regulation Authority**

WESTERN AUSTRALIA

***ELECTRICITY INDUSTRY ACT 2004 (WA)***

Licensee Name:	Rottnest Island Authority ABN 38 836 160 172
Licence Area:	The area set out in the map referred to in Schedule 1.
Licence Number:	EIRL3
Commencement Date:	21 June 2006
Version Number:	5
Version Date:	1 July 2015
Expiry Date:	20 June 2036

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Signed by the Chief Executive Officer  
of the Economic Regulation Authority

1 July 2015

## INTEGRATED REGIONAL LICENCE

### 1. Definitions and interpretation

1.1 In this *licence*, the following definitions apply unless the context otherwise requires:

**Act** means the Electricity Industry Act 2004 (WA).

**applicable legislation** means:

- (a) the Act; and
- (b) the Regulations and the *Codes* that apply to the *licensee*.

**approved scheme** means a scheme approved under section 92 of the *Act*.

**asset management system** means the measures that are to be taken by the *licensee* for the proper maintenance, expansion or reduction of the *licensee's* assets.

**Authority** means the Economic Regulation Authority.

**business day** means a day which is not a Saturday, Sunday or a Public Holiday in Western Australia.

**Code** means:

- (a) the *Code of Conduct for the Supply of Electricity to Small Use Customers* or any such *replacement Code* approved pursuant to section 79 of the *Act*;
- (b) the *Electricity Industry Customer Transfer Code 2004*;
- (c) the *Electricity Industry (Metering) Code 2012*; and
- (d) the *Electricity Industry (Network Quality and Reliability of Supply) Code 2005*.

**commencement date** means the date the licence was first granted by the Authority being the date specified in Schedule 1.

**connection point** has the meaning given to that term in regulation 35 of the *Electricity Industry (Customer Contracts) Regulations 2005*.

**customer** has the meaning given to that term in section 3 of the *Act*.

**default supplier** has the meaning given to that term in regulation 35 of the *Electricity Industry (Customer Contracts) Regulations 2005*.

**distribution system** has the meaning given to that term in section 3 of the *Act*.

**electricity** has the meaning given to that term in section 3 of the *Act*.

**electricity marketing agent** has the meaning given to that term in section 78 of the *Act*

**electronic means** means:

- (a) the internet;
- (b) email, being:
  - (i) in relation to the *Authority*, the *Authority's* email address as notified to the *licensee*; and
  - (ii) in relation to the *licensee*, the email address specified in the licence application or other such email address as notified in writing to the *Authority*; or
- (c) any other similar means,

but does not include facsimile or telephone.

**expiry date** means the date specified in Schedule 1.

**generating works** has the meaning given to that term in section 3 of the *Act*.

**individual performance standards** mean any standards prescribed by the *Authority* for an individual *licensee* pursuant to clause 13 of the *licence*.

**interruption** means the temporary unavailability of supply from the *distribution system* to a *customer* but does not include disconnection.

**licence** means:

- (a) this document (excluding the title page and the second page of this document);
- (b) any Schedules to this document; and
- (c) any individual *performance standards* approved by the *Authority* pursuant to clause 13.

**licence area** is the area stated in Schedule 1 of this *licence*.

**licensee** means Rottnest Island Authority, ABN 38 836 160 172.

**licensee's assets** means the *licensee's distribution system, transmission system or generating works* (as the case may be).

**non-standard contract** has the meaning given to that term in section 47 of the *Act*.

**notice** means a written notice, agreement, consent, direction, representation, advice, statement or other communication required or given pursuant to, or in connection with, this *licence*.

**operate** has the meaning given to that term in section 3 of the *Act*.

**performance audit** means an audit of the effectiveness of measures taken by the *licensee* to meet the *performance criteria* in this *licence*.

**performance criteria** means:

- (a) the terms and conditions of the *licence*; and

- (b) any other relevant matter in connection with the *applicable legislation* that the *Authority* determines should form part of the *performance audit*.

**priority restoration register** means a register, process or document that determines the order of restoration of power in the event of an unplanned *interruption*.

**publish** in relation to a report or information means either:

- (a) posting the report or information on the *licensee's* website; or
- (b) sending the report or information to the *Authority* to be published on the *Authority's* website.

**Regulations** means:

- (a) *Economic Regulation Authority (Licensing Funding) Regulations 2014*;
- (b) *Electricity Industry (Code of Conduct) Regulations 2005*;
- (c) *Electricity Industry (Customer Contracts) Regulations 2005*;
- (d) *Electricity Industry (Licence Conditions) Regulations 2005*;
- (e) *Electricity Industry (Obligation to Connect) Regulations 2005*; and
- (f) *Electricity Industry (Ombudsman Scheme) Regulations 2005*.

**related body corporate** has the meaning given to that term in section 50 of the *Corporations Act 2001* (Cwth).

**reviewable decision** means a decision by the *Authority* pursuant to:

- (a) clause 13.2;
- (b) clause 14.2;
- (c) clause 14.4;
- (d) clause 17.1;
- (e) clause 20.5; or
- (f) clause 20.7,

of this *licence*.

**small use customer** has the same meaning as the meaning given to “customer” in section 47 of the *Act*.

**South West Interconnected System** has the meaning given to that term in section 3 of the *Act*.

**standard form contract** has the meaning given to that term in section 47 of the *Act*.

**supplier of last resort** has the meaning given to that term in section 69(1) of the *Act*.

**supply** has the meaning given to that term in section 3 of the *Act*.

**transmission system** has the meaning given to that term in section 3 of the *Act*.

**version date** means the date on which the *licence* was last amended pursuant to clause 10 or clause 11.

- 1.2 A reference in this *licence* to any *applicable legislation* includes, unless the context otherwise requires, any statutory modification, amendment or re-enactment of that *applicable legislation*.

## **2. Grant of Licence**

- 2.1 The *licensee* is granted a *licence* for the *licence area* to carry out the activities described in Schedule 1 in accordance with the *terms and conditions* of this *licence*.

## **3. Term**

- 3.1 This *licence* commences on the *commencement date* and continues until the earlier of:

- (a) the cancellation of the *licence* pursuant to clause 7 of this *licence*;
- (b) the surrender of the *licence* pursuant to clause 8 of this *licence*; or
- (c) the *expiry date*.

## **4. Fees**

- 4.1 The *licensee* must pay the applicable fees and charges in accordance with the *Regulations*.

## **5. Compliance**

- 5.1 Subject to any modifications or exemptions granted pursuant to the *Act*, the *licensee* must comply with any *applicable legislation*.

## **6. Transfer of Licence**

- 6.1 This *licence* may be transferred only in accordance with the *Act*.

## **7. Cancellation of Licence**

- 7.1 This *licence* may be cancelled only in accordance with the *Act*.

## **8. Surrender of Licence**

- 8.1 The *licensee* may only surrender the *licence* pursuant to this clause 8.

- 8.2 If the *licensee* intends to surrender the *licence* the *licensee* must, by *notice* in writing to the Authority:

- (a) set out the date that the *licensee* wishes the surrender of the *licence* to be effective; and

- (b) set out the reasons why the *licensee* wishes to surrender the *licence*, including the reasons why it would not be contrary to the public interest for the surrender of the *licence* to be effective on the date set out in the *notice*.

8.3 Upon receipt of the *notice* from the *licensee* pursuant to clause 8.2, the *Authority* will publish the *notice*.

8.4 Notwithstanding clause 8.2, the surrender of the *licence* will only take effect on the later of the day that:

- (a) the *Authority* publishes a notice of the surrender in the Western Australian Government Gazette, such date to be at the discretion of the *Authority*; and

- (b) the *licensee* hands back the *licence* to the *Authority*.

8.5 The *licensee* will not be entitled to a refund of any fees by the *Authority*.

## **9. Renewal of Licence**

9.1 This *licence* may be renewed only in accordance with the *Act*.

## **10. Amendment of Licence on Application of the Licensee**

10.1 The *licensee* may apply to the *Authority* to amend the *licence* in accordance with the *Act*.

## **11. Amendment of Licence by the Authority**

11.1 Subject to any *applicable legislation*, the *Authority* may amend the *licence* at any time in accordance with this clause.

11.2 Before amending the *licence* under clause 11.1, the *Authority* must:

- (a) provide the *licensee* with written *notice* of the proposed amendments under consideration by the *Authority*;
- (b) allow 15 *business days* for the *licensee* to make submissions on the proposed amendments; and
- (c) take into consideration those submissions.

11.3 This clause also applies to the substitution of the existing *licence*.

11.4 For avoidance of doubt, the *licensee* will not have to pay a fee for amendments under clause 11.

## **12. Accounting Records**

12.1 The *licensee* and any *related body corporate* must maintain accounting records that comply with standards issued by the Australian Accounting Standards Board or equivalent International Accounting Standards.

## **13. Individual Performance Standards**

13.1 Performance standards are contained in *applicable legislation*.

- 13.2 The *Authority* may prescribe *individual performance standards* applying to the *licensee* in respect of the *licensee's* obligations under this *licence* or the *applicable legislation*.
- 13.3 Before approving any *individual performance standards* under this clause, the *Authority* will:
- (a) provide the *licensee* with a copy of the proposed *individual performance standards*;
  - (b) allow 15 *business days* for the *licensee* to make submissions on the proposed *individual performance standards*; and
  - (c) take into consideration those submissions.
- 13.4 Once approved by the *Authority*, the *individual performance standards* are included as additional *terms and conditions* to this *licence*.

#### **14. Performance Audit**

- 14.1 The *licensee* must, unless otherwise notified in writing by the *Authority*, provide the *Authority* with a *performance audit* within 24 months after the *commencement date*, and every 24 months thereafter.
- 14.2 The *licensee* must comply, and must require the *licensee's* auditor to comply, with the *Authority's* standard audit guidelines.
- 14.3 The *licensee* may seek a review of any of the requirements of the *Authority's* standard audit guidelines in accordance with clause 19.1.
- 14.4 The *performance audit* must be conducted by an independent auditor approved by the *Authority*. If the *licensee* fails to nominate an auditor within one month of the date that the *performance audit* was due, or the auditor nominated by the *licensee* is rejected on two successive occasions by the *Authority*, the *Authority* may choose an independent auditor to conduct the *performance audit*.

#### **15. Reporting a Change in Circumstances**

- 15.1 The *licensee* must report to the *Authority*:
- (a) if the *licensee* is under external administration as defined by the *Corporations Act 2001* (Cwth) within 2 *business days* of such external administration occurring; or
  - (b) if the *licensee*:
    - (i) experiences a change in the *licensee's* corporate, financial or technical circumstances upon which this *licence* was granted; and
    - (ii) the change may materially affect the *licensee's* ability to perform its obligations under this *licence*,within 10 *business days* of the change occurring; or
  - (c) if the:



- (i) licensee's name;
- (ii) licensee's ABN; or
- (iii) licensee's address,

changes, within 10 *business days* of the change occurring.

## **16. Provision of Information**

- 16.1 The *licensee* must provide to the *Authority*, in the manner and form prescribed by the *Authority*, specified information on any matter relevant to the operation or enforcement of the *licence*, the operation of the licensing scheme provided for in Part 2 of the Act, or the performance of the *Authority's* functions under that Part.

## **17. Publishing Information**

- 17.1 The *Authority* may direct the *licensee* to *publish*, within a specified timeframe, any information it considers relevant in connection with the *licensee* or the performance by the *licensee* of its obligations under this *licence*.
- 17.2 Subject to clause 17.3, the *licensee* must *publish* the information referred to in clause 17.1.
- 17.3 If the *licensee* considers that the information is confidential it must:
- (a) immediately notify the *Authority*; and
  - (b) seek a review of the *Authority's* decision in accordance with clause 19.1.
- 17.4 Once it has reviewed the decision, the *Authority* will direct the *licensee* in accordance with the review to:
- (a) *publish* the information;
  - (b) *publish* the information with the confidential information removed or modified; or
  - (c) not *publish* the information.

## **18. Notices**

- 18.1 Unless otherwise specified, all *notices* must be in writing.
- 18.2 A *notice* will be regarded as having been sent and received:
- (a) when delivered in person to the addressee; or
  - (b) 3 *business days* after the date of posting if the *notice* is posted in Western Australia; or
  - (c) 5 *business days* after the date of posting if the *notice* is posted outside Western Australia; or
  - (d) if sent by facsimile when, according to the sender's transmission report, the *notice* has been successfully received by the addressee; or

- (e) if sent by *electronic means* when, according to the sender's electronic record, the *notice* has been successfully sent to the addressee.

## **19. Review of the Authority's Decisions**

- 19.1 The *licensee* may seek a review of a *reviewable decision* by the *Authority* pursuant to this *licence* in accordance with the following procedure:
- (a) the *licensee* shall make a submission on the subject of the *reviewable decision* within 10 *business days* (or other period as approved by the *Authority*) of the decision; and
  - (b) the *Authority* will consider the submission and provide the *licensee* with a written response within 20 *business days*.
- 19.2 For avoidance of doubt, this clause does not apply to a decision of the *Authority* pursuant to the *Act*, nor does it restrict the *licensee's* right to have a decision of the *Authority* reviewed in accordance with the *Act*.

## **20. Asset Management System**

- 20.1 The *licensee* must provide for an *asset management system* in respect of the *licensee's assets*.
- 20.2 The *licensee* must notify the *Authority* of the details of the *asset management system* within 5 *business days* from the later of:
- (a) the *commencement date*; and
  - (b) the completion of construction of the *licensee's assets*.
- 20.3 The *licensee* must notify the *Authority* of any substantial change to the *asset management system* within 10 *business days* of such change.
- 20.4 The *licensee* must provide the *Authority* with a report by an independent expert, acceptable to the *Authority*, as to the effectiveness of the *asset management system* not less than once in every period of 24 months calculated from the *commencement date* (or any longer period that the *Authority* allows by notice in writing).
- 20.5 The *licensee* must comply, and must require the *licensee's* expert to comply, with the *Authority's* standard audit guidelines.
- 20.6 The *licensee* may seek a review of any of the requirements of the *Authority's* standard audit guidelines dealing with the *asset management system* in accordance with clause 19.1.
- 20.7 The review of the *asset management system* must be conducted by an independent expert approved by the *Authority*. If the *licensee* fails to nominate an independent expert within one month of the date that the review of the *asset management system* was due, or the independent expert nominated by the *licensee* is rejected on two successive occasions by the *Authority*, the *Authority* may choose an independent expert to conduct the review of the *asset management system*.

**21. Approved Scheme**

21.1 The *licensee* must not *supply electricity* to *small use customers* unless the *licensee* is:

- (a) a member of an *approved scheme*; and
- (b) bound by, and compliant with, any decision or direction of the electricity ombudsman under the *approved scheme*.

**22. Determination of Default Supplier**

22.1 The *licensee* must determine, from time to time, the *default supplier* for each *connection point* that connects to a *distribution system* operated by the *licensee*.

**23. Marketers**

23.1 The *licensee* must ensure that an *electricity marketing agent* of the *licensee* complies with the *Code of Conduct for the Supply of Electricity to Small Use Customers*.

**24. Customer Contracts**

24.1 Subject to the *Regulations*, the *licensee* must not *supply electricity* to a *small use customer* otherwise than under:

- (a) a *standard form contract*; or
- (b) a *non-standard contract* that complies with the *Act*.

24.2 The *licensee* must, if directed by the *Authority*, review the *standard form contract* and submit to the *Authority* the results of that review within the time specified by the *Authority*.

24.3 The *licensee* must comply with any direction given by the *Authority* in relation to the scope, process or methodology of the review referred to in clause 24.2.

**25. Amending the Standard Form Contract**

25.1 The *licensee* may only amend the *standard form contract* with the *Authority's* approval.

25.2 The *licensee* may amend the *standard form contract* at any time by submitting to the *Authority*:

- (a) a proposed amendment to the *standard form contract*; or
- (b) a proposed substituted *standard form contract*.

25.3 The *Authority* may:

- (a) approve the amendment to the *standard form contract* or substituted *standard form contract*; or
- (b) specify the amendments the *licensee* must make to the amended or substituted *standard form contract* before the *Authority* will amend the *standard form contract*,

and notify the licensee of its decision within a reasonable time.

25.4 The *Authority* may, at any time, by *notice* in writing, direct the *licensee* to amend the *standard form contract* by specifying:

(a) the amendments to be made to the *standard form contract*; and

(b) the latest date at which the amendments will come into force

**26. Directions by the Authority**

26.1 The *licensee* must comply with any direction given by the *Authority* pursuant to section 53 of the *Act*.

**27. Supplier of Last Resort**

27.1 If the *licensee* is designated a *supplier of last resort* under the *Act*, the *licensee* must perform the functions of the *supplier of last resort*.

**28. Notification of Default Supply**

28.1 Where the *licensee* becomes aware of a *small use customer* taking a *supply of electricity* that is deemed to be supplied under the *licensee's standard form contract* in accordance with the *Electricity Industry (Customer Contracts) Regulations 2005*, the *licensee* must, within 5 days after becoming aware, notify the *small use customer* in writing:

(a) that the *licensee* is the *default supplier* for that *connection point*; and

(b) the effect of regulation 37 of the *Electricity Industry (Customer Contracts) Regulations 2005*.

**29. Priority Restoration Register**

29.1 The *licensee* must create and maintain a *priority registration register*.

29.2 The *priority restoration register* must relate to all *customers* of the *licensee* including but not limited to *small use customers*.

29.3 The *priority registration register* must comply with any criteria determined by the Minister.

## Schedule 1 – Licence Details

### 1. Activities authorised by this Licence

1.1 In accordance with clause 2, the *licensee* is authorised by this *licence* to:

- (a) construct and *operate generating works* or *operate* existing *generating works*;
- (b) Not Used
- (c) construct and operate a new *distribution system* or operate an existing *distribution system*; and
- (d) sell electricity to *customers*;

for the purpose of *supplying electricity* to *customers* otherwise than through the *South West Interconnected System*.

### 2. Licence Area

2.1 The *licence area* is set out in Plan Number:

ERA-EL-076(A)

### 3. Commencement Date

3.1 21 June 2006

### 4. Expiry Date

4.1 20 June 2036

## Schedule 2 – Additional Licence Clauses

### 1. Compliance with the Electricity Customer Transfer Code 2004

- 1.1 Despite clause 5.1 of the *licence*, where this *licence* authorises the *licensee* to sell *electricity* to *customers*, the *licensee* is not required to comply with the *Electricity Industry Customer Transfer Code 2004* so long as there is only one retailer selling *electricity* transported through the *distribution system* or *transmission system* (as the case may be).
- 1.2 Despite clause 5.1 of the *licence*, where this *licence* authorises the *licensee* to operate a *distribution system*, the *licensee* is not required to comply with the *Electricity Industry Customer Transfer Code 2004* so long as there is only one retailer selling *electricity* transported through the *distribution system* covered by this *licence*.
- 1.3 Not Used
- 1.4 The *licensee* must notify the *Authority* within 10 *business days* of the *licensee* becoming aware that:
  - (a) there is more than one retailer selling *electricity* transported through the *distribution system* covered by this *licence*.
  - (b) Not Used
  - (c) Not Used
  - (d) Not Used

### 2. Compliance with the requirement to maintain a Priority Restoration Register

- 2.1 Despite clause 29 of the *licence*, the *licensee* is not required to maintain a *priority restoration register* where the *distribution system* covered by this *licence* transports *electricity* to one *customer* only.
- 2.2 The *licensee* must notify the *Authority* within 10 *business days* of the *licensee* becoming aware that the *distribution system* covered by this *licence* transports *electricity* to more than one *customer*.

## **Schedule 3 – Licence Area Maps**

**Amendment Record Sheet**

Version Date	Description of Amendment
29 January 2009	Change to customer definition.
13 January 2011	Electricity Licence Review 2010 amendment by substitution.
1 January 2013	<p>New clause 29 following the ERA's approval of amendments to the <i>Code of Conduct for the Supply of Electricity to Small Use Customers</i>.</p> <p>Minor amendments to better implement the <i>2010 Electricity Licence Review</i> incl. clarifying that Schedule 1 only cover activities applied for by the licensee and approved by the <i>Authority</i>; moving activity related definitions to the clauses they relate to; removing any non-applicable definitions; and marking non-applicable clauses as 'NOT USED'.</p>
1 July 2015	Electricity Licences Review 2015 amendment by substitution