

Decision on the Nilgin Service Company's
request for a renewal of Operating
Licence IL/8 and the Water Corporation's
Request for an amendment to Operating
Licence No.32

30 June 2006

Economic Regulation Authority



WESTERN AUSTRALIA

A full copy of this document is available from the Economic Regulation Authority website at www.era.wa.gov.au.

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DECISION

1. The Nilgin Services Company Limited (**NSCL**) has applied to the Economic Regulation Authority (**Authority**) for the renewal of Operating Licence IL/8 for a period of 3 months expiring 30 September 2006 to enable NSCL to transfer its operations the subject of its Licence to the Water Corporation.
2. The existing licence area covers an area at Nilgen, 8 kms north east of Lancelin.
3. The Water Corporation has applied to the Economic Regulation Authority for an amendment to Operating Licence No.32 to extend the Corporation's Gingin Water Supply Operating Area to include a licence area consistent with the area contained within Operating Licence IL/8. The Water Corporation seeks for the licence amendment to take effect on and from 1 October 2006.
4. The proposed licence area covers an area at Nilgen, 8 kms north east of Lancelin.
5. NSCL's application was made pursuant to section 28(1) of the *Water Services Licensing Act 1995 (Act)* and the Water Corporation's application was made pursuant to section 31 of the Act.
6. Pursuant to section 28(2) of the Act, the Authority approves the renewal of Operating Licence IL/8 to NSCL subject to, and in accordance with, the terms set out the Licence, for a period of 3 months ending 30 September 2006.
7. Concerning the Water Corporation's proposed amendment, the Authority notes that, at this stage, it would be premature to amend Operating Licence No.32 to extend the Water Corporation's Gingin Water Supply Operating Area to include a licence area consistent with the area contained within Operating Licence IL/8. However, the Authority has noted the purpose of, and recognises the need for, the amendment and will make a decision on the Water Corporation's proposed amendment closer to the proposed start date of that amendment.

REASONS

1. Section 28 of the Act sets out the factors governing the Authority's decision to renew a water services operating licence. Section 28 is reproduced below:
 28. Renewal of licence
 - (1) An application for the renewal of a licence is to be —
 - (a) made in a form approved by the Authority; and
 - (b) accompanied by the prescribed fee.
 - (2) The Authority is not to renew a licence unless the Authority is satisfied that it would not be contrary to the public interest to do so.
2. A notice advising receipt of NSCL's application was published on the Authority's website on 16 June 2006. In addition, the notice was forwarded to existing licensed water service providers. The Authority did not receive any objection to the renewal of Operating Licence IL/8 to NSCL.

3. In its consideration of NSCL's licence application, the Authority considered the public interest, including the matters set out in section 19(1b) of the Act as required by section 28(2) of the Act. The Authority is satisfied that NSCL's licence application is not contrary to the public interest.
4. The Authority has therefore decided to renew Operating Licence IL/8 to NSCL subject to, and in accordance with, the terms set out the Licence, for a period of 3 months ending 30 September 2006.
5. The Authority will publish notice of its decision in the *Government Gazette* as soon as is practicable.