

NOTICE

APPLICATION RECEIVED FOR GAS TRADING LICENCE

20 April 2007

The Economic Regulation Authority is assessing an application from Synergy (Electricity Retail Corporation) for a licence to trade gas throughout Western Australia.

The company made the application on 18 April 2007.

The Authority is responsible for licensing gas supply services in Western Australia (under the *Energy Coordination Act 1994*) and must take all reasonable steps to decide on the application within 90 days of it being made.

This is subject to the Authority being satisfied that it would not be contrary to the public interest to do so if it is satisfied that the applicant:

a) has, and is likely to retain; or

b) will acquire within a reasonable time after the grant, and is then likely to retain,

the financial and technical resources to undertake the activities authorised, or to be authorised, by the licence.

The information as provided by the applicant is attached.

For further information contact:

General Enquiries

Mr Mick Geaney
Assistant Director Licensing
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Media Enquiries

Mr Paul Byrne
Byrne & Byrne Corporate Communications
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LYNDON ROWE
CHAIRMAN

20 April 2007

Applicant Details

Applicant Details	
Name	Synergy (Electricity Retail Corporation)
Registered Office (if a Corporation)	363 Wellington Street, Perth Western Australia
Principal Place of Business (if different from Registered Office)	As above

Contact Details	
Contact Name	Simon Thackray
Mail Address	GPO Box K851, Perth WA 6842
Email	simon.thackray@synergyenergy.com.au
Telephone	(08) 9326 4433 Mobile: 0409 108 561
Fax	(08) 9326 4115

Company Structure	
ABN	71 743 446 839
Legal Nature of Applicant	Body Corporate established under section 4(1)(c) of the <i>Electricity Corporations Act 2005</i>
Place of Incorporation	Western Australia

Classification of the Licence Application	
Type of Licence Application	Distribution <input type="checkbox"/> Trading <input checked="" type="checkbox"/>

Licence term
Maximum term – 10 years

Designated area of the Licence Application

Specific Area and/or Address to be covered by this licence South West Interconnected System

If the area covered by this licence is restricted to less than 4 Local Government Areas (LGAs) please list them here NA

Regions to be covered by this licence

- Perth Metropolitan ✓
- Gascoyne
- Goldfields-Esperance ✓
- Great Southern ✓
- Kimberly
- Mid-West ✓
- Peel ✓
- Pilbara
- South West ✓
- Wheatbelt ✓

Certification – Acknowledgement of Commitment

I declare that the information provided in this application is correct to the best of my knowledge and I am aware of the requirements under the *Energy Coordination Act 1994* for the licence being applied for and that I have the authority to make this application on behalf of the above entity.

Signed by or on behalf of the applicant

Name: Grant Draper
Position: Head of Department – Strategic Development
Signed: *G. Draper*
Date: 17 April 2007

Application Summary

The grant of a gas trading licence to Synergy will result in competition in the supply of gas to 180 GJ - < 1TJ small use customers.

Synergy as the State's largest energy retailer has the experience, expertise and commitment to deliver competitive gas supply to these customers.

The Western Australian Government entered into a Gas Market Agreement, which amongst other matters, included a moratorium to the then Western Power Corporation which restricted it supplying gas to customers taking less than 1 TJ per annum.

As the moratorium was applied to Western Power as an integrated organisation, it was extended under the *Electricity Corporations Act 2005* to Synergy on and from 1 April 2006.

In early 2006, the Minister for Energy requested the Office of Energy to review and make recommendations as to whether the moratorium should be changed to permit two of the disaggregated entities, Synergy and Verve Energy, to sell gas to small use customers in the Western Australian gas market, having regard to delivering sustainable competition.

As part of this review, the Office of Energy released a discussion paper in April 2006 on issues surrounding the moratorium and conducted public consultation, which ended on 2 June 2006.

The Minister for Energy, on 23 August 2006, announced the gas moratorium would be reduced to 180 GJ as of 1 July 2007 and subsequently effected a new instrument to that effect on 23 March 2007.

Consistent with the revised gas moratorium, Synergy now seeks to obtain a gas trading licence.