



Landfill Gas and Power

17 September 2010

Ms Lanie Chopping
Assistant Director
Customer Protection
ERA
PO Box 8469
PERTH BC WA 6001

Dear Lanie

ELECTRICITY LICENCE REVIEW 2010 – DISCUSSION PAPER

Landfill Gas and Power Pty Ltd (LGP) appreciates the opportunity to make a submission in respect of the Electricity Licence Review.

LGP welcomes the Economic Regulations Authority's (ERA's) commitment to best practice licensing and comments as follows in respect of the review's recommendations using the nomenclature of the review.

3.1 Number formatting of licences

LGP supports the ERA's recommendation that each type of licence will contain a core template of consistent conditions and all licensee specific conditions will be contained in Schedule 2 of each specific licence.

3.2 Restructure of the EIRL

LGP supports the ERA's recommendation that all integrated regional licences authorise the licensee to undertake only the activities undertaken by the licensee at the time of licence grant.

3.3 Restructure of the EDL & ERL

LGP supports the ERA's recommendation that licences should have consistent numbering throughout all licence templates wherever practicable.

3.4 Cover page

LGP supports the ERA's recommendation for the revised style changes. More generally, we consider style changes to be immaterial and should be within the discretion of the ERA without having to consult.

3.5 Licensee details

LGP supports the ERA's recommendation for the revised style changes which have the effect of avoid application of the licence amendment process to effect Immaterial alterations to the licence.

3.6 Definitions – New entry paragraph

LGP supports the ERA's recommendation of the introductory statement for the purpose of legal clarity.

3.7 Definitions – Reference to legislation

Clause 1 of the EGL, ETL, EDL, ERL & EIRL (as applicable)

LGP supports the ERA's recommendation to remove the current definition statements of those terms that are already defined in superior legislation and replace them with a statement that refers the reader to the relevant superior legislation.

3.8 Definitions – Deletion of redundant definitions

LGP supports the ERA's recommendation to delete redundant definitions.

3.9 Definitions – Minor amendments

LGP supports the ERA's recommended minor amendments.

3.10 Definitions – New definitions

LGP supports the ERA's recommended inclusion of definitions of "small use customer" and "supply" in the distribution licence template.

3.11 Definitions – Transfer to individual clauses

LGP has no objection to the ERA's recommended relocation of definitions within the integrated regional licence template for the purposes of facilitating their deletion in contexts where the underpinning activity is not being licensed. That said, we prefer that all definitions be located in a special section, perhaps with a qualifying "where applicable" statement.

3.12 Definitions – Modification of legislation

LGP supports the ERA's recommended inclusion of a clarifying statement.

3.13 Grant of Licence

LGP has no objection to the ERA's recommended restructure in order to support Recommendation 3.2.

3.14 Fees

LGP supports the ERA's recommended inclusion of a clarifying statement.

3.15 Compliance

LGP supports the ERA's recommended inclusion of a clarifying statement.

3.16 Compliance

LGP supports the ERA's recommended deletion of clause 5.2 as the ERAy's powers with regard to enforcement are already defined in the Act.

3.17 Surrender of Licence

LGP supports the ERA's recommended clarifications except for the six (6) month minimum notice for licence surrender, being a new requirement. While we support the intent of the minimum notice to ensure that stakeholder and customers do not endure detriment, we consider the stated period to be arbitrary. We suggest instead that the emphasis should be on the licensee to nominate a period that ensures that stakeholders and customers do not suffer detriment as far as is practicably consistent with the reasons for surrendering the licence. We would also envisage that the ERA would either approve the term or impose a longer one.

3.18 Amendment of the Licence by the ERA

LGP supports the ERA's recommended inclusion of a clarifying statement.

3.19 Customer Contracts

LGP supports the ERA's recommended inclusion of a clarifying statement.

3.20 Customer Service Charter &

3.21 Amending the Customer Service Charter

LGP supports the removal of the requirement for a Customer Charter in respect of the supply of Small Use Customers.

3.22 Expansion or Reduction of [Generating Works, Transmission System, Distribution System]

LGP supports the ERA's recommended deletion of this clause as it is better covered elsewhere.

3.23 Accounting Records

LGP supports the ERA's recommended correction of this clause.

3.24 Individual Performance Standards

LGP supports the ERA's recommended amendment to permit the Authority to prescribe individual performance standards applying to the licensee.

3.25 Performance Audit

LGP supports the ERA's recommended amendments as these simplify and clarify the affected clauses.

3.26 Asset Management System

LGP supports the ERA's recommended amendments as improvement clarity and accuracy. While LGP has no experience of the referenced Asset Management Systems, we suggest that the two (2) day reporting requirement seems to be onerous.

3.27 Reporting

LGP supports the intent of ERA's recommended amendments so as to improve clarity and accuracy. However, we would suggest:

- a) clarifying in 1(b) ii) that changes are to be reported only if they *diminish* the licensee's ability to perform, and
- b) Clarifying the meaning of "incorrect" in sub clause c) – is this seeking to say that changes must be reported? If so, we suggest the two (2) day requirement is unnecessarily onerous.

3.28 Publishing Information

LGP supports the ERA's recommended amendment so as to improve clarity.

3.29 Review of the ERA's decisions

LGP supports the ERA's recommended amendment, which remedies a manifest error.

3.30 Licensee Details

LGP supports the ERA's recommended amendments, which tidy, simplify and improve the integrity of the documents.

3.31 Schedule 3 – Operating Area Map/s

LGP has no objection to the ERA's proposal to include a map of the operating areas as a new schedule. However, in the interests of concision, we would prefer that a map only be included where it is reasonably required for clarity. In particular, we consider that no map of the SWIN is required.

3.32 General

LGP supports the correction of the manifest errors.

4 Deviations

LGP supports the proposed amendments, which implement Recommendation 3.1 by including in Schedule 2 clauses specific to the licensee.

If you require any further information, please contact Dr Steve Gould on 0412 508 291.

Yours faithfully

GRAEME ALFORD BE MBA
CHIEF EXECUTIVE OFFICER