

Your ref:

Our ref: **MP: 7527400**

17 SEPTEMBER 2010

Ms Lanie Chopping  
Assistant Director Customer Protection  
Economic Regulation Authority  
PO Box 8469  
Perth Business Centre  
PERTH WA 6849

Dear Ms Chopping

### **ELECTRICITY LICENCE REVIEW 2010 – DISCUSSION PAPER**

Thank you for the opportunity to provide a submission in respect of the Authority's discussion paper relating to the Electricity Licence Review 2010.

In general, Western Power supports the Authority's recommendations for amendments to the electricity transmission and distribution licence templates. However, Western Power has identified a number of areas that may require further consideration. These areas are:

#### **3.3 Restructure of EDL and ERL**

Authority's  
Recommendation:

*A number of clauses within the distribution and retail licences are proposed to be transferred after clause 19 of their respective licences. The clauses transferred contain conditions that only apply to distribution and/or retail licences. The transfer supports Recommendation 3.1 by ensuring consistent numbering throughout all licence templates.*

Western Power's  
comments:

Western Power suggests that this amendment should also be applicable to the transmission licence template.

#### **3.4 Cover page**

Authority's  
Recommendation:

*It is proposed that the cover page be amended to ensure consistency with the new gas licence templates. As a result, the new text on the cover page for (for example) retail licences will read:*

*Electricity Retail Licence*

*<Licensee Name>*

*ERL<X>, Version <X>, <Date>*

Western Power's  
comments:

Western Power agrees with the proposed amendment however notes that neither the version number nor version date are displayed on the amended cover pages of the distribution and transmission licence templates.

### 3.5 Licensee details

Authority's  
Recommendation:

*It is proposed that page 2 of the electricity licence templates be amended consistent with the formatting used for the gas licence templates. This means that the following information would be included on page 2:*

- *licensee name*
- *date of grant*
- *version number*
- *version date*

Western Power's  
comments:

Western Power agrees with the suggested amendment but requests the Authority confirm whether the phrase "date of grant" is referring to the defined term "*commencement date*".

### 3.23 Accounting Records

Authority's  
Recommendation:

*The Authority proposes that the reference to the "Australian Accounting Standards Board Standards" be replaced with "Australian Auditing and Assurance Standards Board" as this is the correct reference.*

Western Power's  
comments:

Western Power suggests that the Authority reconsider this amendment as it appears the correct reference relating to the body governing Australian accounting standards is the Australian Accounting Standards Board.

### 3.26 Asset Management System

Authority's  
Recommendation:

*Sub-clause 2 [now 3] is proposed to be amended to replace the term "material change" with "substantial change".*

Western Power's  
comments:

Western Power suggests the Authority consider its use of the term "substantial" in replacement of what was previously described as "material". Western Power notes the term "materially" is used elsewhere in the licence templates and suggests a consistent approach be adopted or alternatively, definitions of these terms be included under clause 1.1.

### 3.27 Reporting a Change in Circumstances

Authority's  
Recommendation:

*The wording of sub-clause 1(b) is proposed to be amended and the clause has been split into two clauses. The sub-clause now reads:*

*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*

Western Power's  
response:

#### Sub-clause 1(b)

Western Power suggests the Authority consider incorporating a definition for the word "materially".

Authority's  
Recommendation:

*A new sub-clause 1(c) is proposed to be added which reads:*

*If the details of the:*

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

*as set out in page 2 of this document are incorrect, within  
2 business days of such details being incorrect.*

Western Power's  
response:

Sub-clause 1(c)

Western Power suggests the phrase "identified by the licensee as" be inserted between the words "being" and "incorrect".

Should you have any queries regarding the above please do not hesitate to contact me on 08 9326 4535.

Yours faithfully

**Margaret Pyrchla**  
Manager Risk & Compliance