

Decision on Retail Licence Application for Alinta Sales Pty Ltd ABN 92 089 531 984

19 May 2006

Economic Regulation Authority



WESTERN AUSTRALIA

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DECISION

1. On 22 December 2005, Alinta Sales Pty Ltd ABN 92 089 531 984 (**Applicant**) submitted an application to the Economic Regulation Authority (**Authority**) for a Retail Licence for the sale of electricity to contestable customers, including small use customers together with business and industrial customers, within the South West interconnected system (SWIS) in Western Australia.
2. The Retail Licence Application was made pursuant to section 10 of the *Electricity Industry Act 2004* (**Act**).
3. Pursuant to section 19 and section 9 of the Act, the Authority approves the grant of a Retail Licence to the Applicant to supply electricity subject to, and in accordance with, the terms set out in the Retail Licence. The term of the Retail Licence is 15 years.

REASONS

1. The Authority engaged 2020 Global Pty Ltd (**2020 Global**) to examine the financial capacity of the Applicant to undertake the activities authorised by the Retail Licence. Following the assessment, 2020 Global concluded that the Applicant has access to and will likely retain the financial resources to undertake the activities authorised by the Retail Licence under the Act.
2. The Authority engaged ESTA Utilities Pty Ltd (**ESTA**) to examine the technical capacity of the Applicant to undertake activities authorised by the Retail Licence. Following the assessment ESTA concluded that the Applicant has and will retain the technical resources to undertake the functions authorised by the Retail Licence under the Act.
3. The Authority has considered the Retail Licence Application and the advisers' reports and is satisfied that the Applicant meets the requirements of section 19(1) of the Act.
4. Section 9 of the Act states that the Authority must not exercise a power conferred by Division 3 of the Act (General licensing provisions) unless the Authority is satisfied that it would not be contrary to the public interest to do so.
5. Following receipt of the Retail Licence Application, a notice regarding receipt of the Retail Licence Application was published on the Authority's website in January 2006. The Authority did not receive any objection to the grant of the Retail Licence to the Applicant.
6. In its consideration of the Application, the Authority considered the public interest, including the matters set out in section 8(5) of the Act as required by section 9(2) of the Act. The Authority is satisfied that approval of a Retail Licence to the Applicant would not be contrary to the public interest.
7. The Authority has therefore decided to grant a Retail Licence to the Applicant for the sale of electricity to contestable customers including small use customers together with business and industrial customers within the SWIS in Western Australia. The term of the Retail Licence is 15 years.
8. As required by section 23(1) of the Act, the Authority will publish a notice of its approval of the Application in the *Government Gazette* as soon as is practicable.