

Decision on amendment of Western Power's Electricity Distribution Licence 1 (EDL1)

30 July 2012

Economic Regulation Authority

WESTERN AUSTRALIA

Important Notice

This document has been compiled in good faith by the Economic Regulation Authority (Authority). The document contains information supplied to the Authority from third parties. The Authority makes no representation or warranty, express or implied, as to the accuracy, completeness, reasonableness or reliability of the information supplied by those third parties.

This document is not a substitute for legal or technical advice. No person or organisation should act on the basis of any matter contained in this document without obtaining appropriate professional advice. The Authority and its staff members make no representation or warranty, expressed or implied, as to the accuracy, completeness, reasonableness or reliability of the information contained in this document, and accept no liability, jointly or severally, for any loss or expense of any nature whatsoever (including consequential loss) arising directly or indirectly from any making available of this document, or the inclusion in it or omission from it of any material, or anything done or not done in reliance on it, including in all cases, without limitation, loss due in whole or part to the negligence of the Authority and its employees.

This notice has effect subject to the Competition & Consumer Act 2010 (Cwlth), the Fair Trading Act 1987 (WA) and the Fair Trading Act 2010 (WA), if applicable, and to the fullest extent permitted by law.

Any summaries of the legislation, regulations or licence provisions in this document do not contain all material terms of those laws or obligations. No attempt has been made in the summaries, definitions or other material to exhaustively identify and describe the rights, obligations and liabilities of any person under those laws or licence provisions.

A full copy of this document is available from the Economic Regulation Authority website at www.erawa.com.au.

For further information, contact:

Economic Regulation Authority
Perth, Western Australia
Phone: (08) 6557 7900

© Economic Regulation Authority 2012

The copying of this document in whole or part for non-commercial purposes is permitted provided that appropriate acknowledgment is made of the Economic Regulation Authority and the State of Western Australia. Any other copying of this document is not permitted without the express written consent of the Authority.

DECISION

1. In accordance with sections 9 and 21 of the *Electricity Industry Act 2004 (Act)*, the Economic Regulation Authority (**Authority**) has approved an amendment to the Electricity Networks Corporation's (trading as **Western Power**) Electricity Distribution Licence 1 (**EDL1**).
2. The amendment to EDL1 extends Western Power's licence area to include an existing distribution line to the Randall Goldmine in Kalgoorlie. The licence area map has further been amended by removing the text in the lower left-hand side of the map and the words "South West interconnected system" from the title of the map.
3. As required by section 23(1) of the Act, the Authority will publish a notice of its approval of the amendments in the *Government Gazette* as soon as is practicable.

REASONS

4. In June 2010, Western Power completed construction of a high voltage distribution line to the Randall Goldmine in Kalgoorlie.
5. In November 2011, Western Power became aware that the distribution line extended 35.4km beyond its approved licence area. Western Power subsequently applied to the Authority for an amendment of EDL1 to extend its licence area to include the distribution line to the Randall Goldmine.
6. The amended licence area map submitted by Western Power included the following title:

ELECTRICITY INDUSTRY ACT 2004
SOUTH WEST INTERCONNECTED SYSTEM ELECTRICITY LICENCE AREA
DISTRIBUTION
LICENSEE: Electricity Networks Corporation

The map further included the following text in the lower left-hand side:

The Licence Area as shown in this map is the approximate boundary of the Electricity Networks Corporation's Distribution System. The boundary is determined by the extremities of the Interconnected Network owned by Western Power. Any Person who would like a copy of the map which shows the location of the actual infrastructure within the boundary as at the request date, should contract Western Power directly who will supply them with a map within 2 weeks of the request.

7. The Authority sought legal advice in relation to the use of the term "South West interconnected system" on the licence area map to describe the amended licence area.
8. The term "South West interconnected system" is a defined term in section 3 of the Act. In summary, the South West interconnected system refers to the interconnected transmission and distribution systems, generating works and associated works located within the South West of Western Australia.
9. As the term "South West interconnected system" refers to the interconnected system of generation works, transmission and distribution systems, a map which only illustrates Western Power's distribution system may not necessarily indicate the full

extent of the “South West interconnected system”. Therefore, it could be argued that use of the term “South West interconnected system” in the title of the licence area map for EDL1 is confusing.

10. To remove any confusion as to the extent of the South West interconnected system, the Authority has requested that Western Power remove both the text in the lower left-hand side of the licence area map and the reference to South West interconnected system from the title of the map. Western Power has made the suggested amendments.
11. The amendment proposed by Western Power consists of an extension to its licence area to include an existing distribution line to the Randall Goldmine in Kalgoorlie. The *Public Consultation Guidelines - For Electricity, Gas & Water Licences and Electricity & Gas Standard Form Contracts (July 2006)* provide that if, in the Authority’s view, an amendment to a licence is minor, subject to its legislative obligations, the Authority will not generally engage in public consultation. The Authority has considered the amendment proposed by Western Power and is of the view that the amendment is minor. Therefore, the Authority has not undertaken public consultation on the proposed amendment.
12. Pursuant to section 21 of the Act, the Authority may amend a licence if the applicant has made the application in a form approved by the Authority and paid the prescribed application fee. Western Power has satisfied these requirements.
13. Section 9(1) of the Act states that the Authority must not exercise a power conferred by Part 2, 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.
14. Section 9(2) of the Act provides that, when determining whether the exercise of the power would not be contrary to the public interest, the Authority must, without limiting the other matters that may be taken into account, take into account the matters referred to in section 8(5) of the Act.
15. The Authority has not found any evidence that granting the amendment would be contrary to the public interest. Accordingly, the Authority has decided to approve the amendment to EDL1.