

Decision on amendment of Electricity Distribution Licence 4 (EDL4)

16 August 2012

Economic Regulation Authority

WESTERN AUSTRALIA

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DECISION

1. In accordance with sections 21 and 11 and Schedule 1(k) of the *Electricity Industry Act 2004* (**Electricity Act**), the Economic Regulation Authority (**Authority**) has approved an amendment to Newmont Power Pty Ltd's (**Newmont**) Electricity Distribution Licence 4 (**EDL4**).
2. The amendment to EDL4 is to make compliance with the *Electricity Industry Customer Transfer Code 2004* (**Transfer Code**) conditional on more than one retailer supplying electricity through the distribution system covered by this licence (EDL4).
3. As required by section 23(1) of the Act, the Authority will publish a notice of its approval of the amendment in the *Government Gazette* as soon as is practicable.

REASONS

4. Newmont applied for an amendment on 25 June 2012 to remove the licence requirement to comply with the Transfer Code as long as only one retailer supplies electricity through the distribution system. In addition, Newmont stated that it would undertake to advise the Authority should the current customer relationships change.
5. The Authority published a notice on its website on 5 July 2012 to seek public comment on the proposed licence amendment. The due date for the submissions was on 27 July 2012. The Authority received one submission, from the Department of Finance's Public Utilities Office, on the matter. The Submission can be found on the Authority's website. The Public Utilities Office supports:
 - the proposed amendment to the extent that there is only one retailer on the distribution system; and
 - licences designed to fit specific circumstances to minimise the financial and regulatory burden on industry; and not act as a barrier to entry in to the market.
6. 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. Newmont has satisfied these requirements.
7. 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.
8. 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.
9. The Authority has considered:
 - the requirements under the Electricity Act (including section 11) and the *Electricity Industry (Licence Conditions) Regulations 2005*.
 - Newmont's licence amendment application and the submission made by the Public Utilities Office.

10. The Authority agrees that it is appropriate to make the licence requirement for Newmont to comply with the Transfer Code conditional on there being more than one retailer on its distribution network.
11. 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 EDL4.