

Decision to amend Western Power's Electricity Distribution Licence 1 (EDL1)

Extension of Licence Area

19 May 2014

Economic Regulation Authority

WESTERN AUSTRALIA

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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 facilitate supply of electricity to include an area in the Mount Gibson vicinity where a company operating in the area, Top Iron Pty Ltd (**Top Iron**), has requested an electricity connection point. The amended licence area is set out in plan ERA-EL-072(B).
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. On 25 March 2014, Western Power applied to extend the licence area for EDL1 by 7km to an area located 2km south west of the Mount Gibson goldmine, located 350km north east of Perth.
5. On 31 March 2014, the Authority sought public submissions on the proposal. On 10 April 2014, the Authority issued a notice advising that it had noticed a minor error in the map provided by Western Power, and that Western Power had corrected the application. However, as this did not affect the proposed licence amendment the consultation process was not extended.
6. The Authority received submissions from Horizon Power and Community Electricity. Horizon Power had no objection to the amendment noting that it would support regional development. Community Electricity also supported the amendment but requested confirmation that the principle of competitive neutrality has been applied in respect of retailing electricity to Top Iron.
7. The Authority requested comment from Western Power on the issue raised by Community Electricity. Western Power advised that it is not involved in the retailing of energy and that its large use customers choose their electricity retailers on a commercial basis.
8. The Authority is of the view that the issue raised by Community Electricity is not material in the context of the proposed licence amendment as large use customers are able to choose their electricity retailer.
9. 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.
10. 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.

11. 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.
12. The Authority has not found any evidence that granting the amendment would be contrary to the public interest. Accordingly, the Authority has approved the amendment to EDL1.