
**Economic Regulation Authority
Electricity Licences Review 2015**

**Western Power's Response to the
Discussion Paper**



March 2015

Document prepared by:

Western Power
ABN 18540492861

© YYYY Electricity Networks Corporation t/a Western Power

Any use of this material except in accordance with a written agreement with Western Power is prohibited.

1 Introduction

Western Power appreciates the opportunity to provide comments on the Authority's Electricity Licences Review 2015 Discussion Paper.

Western Power's response considers all proposals presented in the discussion paper. It also includes one matter which has not been previously raised with the Authority. This matter is covered in Section 3 of this document.

2 Western Power Responses

Western Power's comments on the proposals presented in the discussion paper are outlined below.

2.1 Proposal 1

3.1 Licence cover page (EDL, ETL, EGL, ERL, EIRL)

"The Authority proposes removing the licensee's address/contact information and a description of the licensee's assets (where applicable) from page 2 of licences."

Western Power supports this proposal.

2.2 Proposal 2

3.2 Number formatting of licences (EDL, ETL, EGL, ERL, EIRL)

"The Authority proposes retaining the current approach to number formatting in licences."

Western Power supports this proposal.

2.3 Proposal 3

3.3 Licence operating area maps (EDL, ETL, EGL, ERL, EIRL)

"The Authority proposes including a licence's operating area map(s) in a schedule to the licence."

Western Power supports this proposal.

2.4 Proposal 4

3.4 Definitions in individual clauses (EIRL)

"The Authority proposes including all definitions in clause 1 of EIRLs."

Western Power supports the proposed change.

2.5 Proposal 5

3.5 "Code" and "Regulations" (EDL, ETL, EGL, ERL, EIRL)

"The Authority proposes that the definitions of "Code" and "Regulations" be amended to remove the requirement for new codes and regulations to be automatically applied as a condition of a licence."

Western Power supports the proposed amendment.

2.6 Proposal 6

3.6 “Supply” or “Sell” electricity (ERL, EIRL)

“The Authority proposes that clause 2.1 of ERLs and Schedule 1 of EIRLs are amended to clarify that the licence is granted to allow the licensee to “sell” electricity rather than “supply” electricity to customers.”

While this proposed change does not directly impact Western Power’s electricity licences, Western Power supports this amendment.

2.7 Proposal 7

3.7 Regulatory duplication (EDL, ETL, EGL, ERL, EIRL)

“The Authority proposes that references to the following legislation are removed from electricity licences:

- *Electricity Networks Access Code 2004;*
- *Electricity Industry (Access Code Enforcement) Regulations 2005;*
- *Electricity Industry (Arbitrator and Board Funding) Regulations 2009;*
- *Electricity Industry (Independent Market Operator) Regulations 2004;*
- *Electricity Industry (Licensing Fees) Regulations 2005;*
- *Electricity Industry (Tariff Equalisation) Regulations 2006; and*
- *Electricity Industry (Wholesale Electricity Market) Regulations 2004.”*

Western Power supports the proposed amendment.

2.8 Proposal 8

3.8 Licence clauses reflecting specific legislative requirements (EDL, ETL, EGL, ERL, EIRL)

“The Authority proposes that the current approach of including specific legislative obligations in licenses is retained.”

Western Power supports this proposal.

2.9 Proposal 9

3.9 Frequency of reporting (ERL and EIRL)

“The Authority proposes that clause 23.2 is removed from ERLs and EIRLs.”

While this proposal does not directly impact Western Power’s licences, Western Power supports this amendment.

2.10 Proposal 10

3.10 Customer Transfer Code (EDL, ETL, ERL, EIRL)

“The Authority proposes that Schedule 2, Clause 1 (exemption from compliance with the Transfer Code) from EDL4 is included in relevant transmission, distribution, retail and integrated regional licences where a network has only one retailer operating on it.”

While this proposal does not directly impact Western Power’s electricity licences, Western Power supports this amendment.

2.11 Proposal 11

3.11 Metering Code (EDL, ETL, EGL, ERL, EIRL)

“The Authority proposes that all licences continue to require compliance with the Metering Code, but individual licensee compliance continue to be managed through the audit process.”

Western Power supports this proposal.

2.12 Proposal 12

3.12 Priority restoration register (EDL, EIRL)

“A. The Authority proposes that EDLs and EIRLs (with a distribution service) are amended to make it clear that the requirement to create and maintain a priority restoration register applies only where the distribution system supplies more than one customer.

B. The Authority proposes that EDLs and EIRLs (with a distribution service) that require the licensee to create and maintain a priority restoration register are amended to allow for alternative documents and processes to form the basis for the assessment of the licensee’s compliance with that obligation.”

Western Power strongly supports the proposed amendment.

3 Additional matter not previously raised by Western Power

3.1 Clause 15 of EDL1 and ETL2

Clause 15 of Western Power’s distribution and transmission licences “Reporting a Change in Circumstances” contains the following obligation:

“15.1 The licensee must report to the Authority:

(c) if the:

(v) length of the distribution [transmission] system,

changes, within 10 business days of the change occurring.”

Changes to the length of the transmission and distribution systems occur continually as new sections of the network are energised, redundant lines are removed, and overhead lines are replaced with underground cables. It is therefore difficult for Western Power to report such frequent changes to the Authority within 10 business days of them occurring. In

Western Power's view, the administrative burden and the associated costs of doing so could not be justified.

Further, for the purpose of calculating distribution and transmission licences quarterly standing charges, the *Economic Regulation Authority (Licensing Funding) Regulations 2014* use the lengths of transmission and distribution lines at the end of the financial year immediately preceding the quarter. Therefore, it appears that a continuous notification of changes to the line length may not serve any purpose.

As such, to ensure consistency with the Authority's new licensing funding model and to eliminate an unnecessary administrative process, Western Power suggests that clause 15.1 (c) (v) should be removed from Western Power's transmission and distribution licences.