

**RETAIL LICENCE**  
**(Contestable Customers and Non-Contestable Customers)**

**Issued to**

**POWER AND WATER CORPORATION**

**Date of Issue**

**31 March 2005**

**As varied on**

**29 August 2008**

**Utilities Commission**

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**Retail Licence  
(Contestable Customers and Non-Contestable Customers)**

**Licensee: Power and Water Corporation**

**1 Definitions and Interpretation**

1.1 In this licence a word or phrase in italics:

- (a) has the meaning given to it in part 1 of schedule 1; or
- (b) if the word or phrase is not defined in part 1 of schedule 1, then it has the meaning given to it in the *Electricity Reform Act*.

1.2 This licence must be interpreted in accordance with the rules set out in part 2 of schedule 1.

**2 Grant of licence**

Under Part 3 of the *Electricity Reform Act*, the *Utilities Commission* grants the *licensee* a licence to:

- (a) trade in electricity; and
- (b) *sell* and retail electricity to *contestable customers*; and
- (c) *sell* and retail electricity to *non-contestable customers*, but only in respect of *electrical installations* or premises which are located within the *retail area*,

in accordance with the terms and conditions of this licence.

**3 Term**

This licence commences on the date it is issued and continues until the earlier of:

- (a) when it is surrendered by the licensee under section 35 of the *Electricity Reform Act*; or
- (b) when it is cancelled by the *Utilities Commission* under section 36 of the *Electricity Reform Act*.

**4 Annual return**

The *licensee* must lodge an annual return containing such information as is required from time to time by the *Utilities Commission* by written notice.

**5 Suspension of licence**

This licence may be suspended under section 36 of the *Electricity Reform Act*.

**6 Variation of licence**

This licence may only be varied in accordance with section 32 of the *Electricity Reform Act*.

## 7 **Transfer of licence**

This licence may only be transferred in accordance with section 33 of the *Electricity Reform Act*.

## 8 **Licence fee and other charges**

8.1 The *licensee* must pay an annual licence fee or instalment of the annual licence fee, as the case may be, to the *Utilities Commission* as determined by the *Minister* under section 19 of the *Electricity Reform Act*.

8.2 The *licensee* must pay the *System Controller* any charges relating to the *operations* of system control.

## 9 **Compliance with regulatory instruments**

9.1 The *licensee* must:

- (a) comply with all applicable provisions of the *Network Access Code*, the *System Control Technical Code* and the *Network Technical Code*;
- (b) comply with all applicable provisions of the *Ring-Fencing Code* made by the *Utilities Commission*;
- (c) comply with all applicable provisions of any other *code* or *rule* made under the *Utilities Commission Act* from time to time;
- (d) comply with any applicable protocol, standard and *code* applying to the *licensee* under the *Regulations*; and
- (e) comply with all applicable laws including, the *Regulations*, the *Pricing Order* and any technical or safety requirements or standards contained in *Regulations* made under the *Electricity Reform Act*.

9.2 The *licensee* must notify the *Utilities Commission* within 3 *business days* if it becomes aware of a material breach by the *licensee* of this licence or any of the regulatory instruments described in clause 9.1 of this licence.

## 10 **Capacity to operate**

10.1 The *licensee* must, from time to time, provide the *Utilities Commission* with details of the *licensee's* financial, technical and other capacity to continue *operations* under this licence, if requested to do so by the *Utilities Commission*.

10.2 The *licensee* must provide any information requested by the *Utilities Commission* under clause 10.1 of this licence:

- (a) in a manner and form determined by the *Utilities Commission*; and
- (b) within 20 *business days* of the request.

## 11 **Audit of operations and compliance**

11.1 The *licensee* must undertake an audit of:

- (a) all or part of the *operations* authorised by this licence in respect of each *financial year*; and
- (b) its compliance with the obligations under this licence and the regulatory instruments described in clause 9.1 of this licence in respect of each *financial year*,

which must be conducted by an independent auditor.

11.2 The *licensee* must report the results of the audit under clause 11.1 in respect of a *financial year* to the *Utilities Commission* by a date to be determined by the *Utilities Commission*.

## 12 **Changes in offices or major shareholders**

The *licensee* must notify the *Utilities Commission* of any change to any *officer* and, if applicable, any *major shareholder* of the *licensee*, within 20 *business days* after the change.

## 13 **Community service obligations**

The *licensee* must comply with the requirements of any scheme approved and funded by the *Minister* for the performance of community service obligations by *electricity entities*.

## 14 **Customer standards and procedures**

14.1 The *licensee* must develop, publish and comply with customer related standards and procedures by no later than 1 July 2002.

14.2 The *licensee* must comply with its obligations under the procedures.

## 15 **Obligation to offer to sell to non-contestable customers**

15.1 On the request of a *non-contestable customer*, the *licensee* must offer to *sell* electricity to that *non-contestable customer* in respect of *electrical installations* or premises which are located within its *retail area* on fair and reasonable terms and conditions. Those terms may differ between *customers* or classes of *customers*.

15.2 The *licensee* does not have an obligation to offer to *sell* a *non-contestable customer* in the circumstances set out in section 29 of the *Electricity Reform Act*.

## 16 **Adequate supply arrangements**

The *licensee* must take reasonable steps to ensure that it has in place at all times arrangements to provide a *supply* of electricity that is safe, reliable and of a satisfactory quality to its *customers*.

## 17 **Non-contestable customer consents and information**

- 17.1 Until otherwise determined by the *Minister*, the *licensee* must:
- (a) at least 28 days prior to the date it expects a *non-contestable customer* to become, or is likely to become, a *contestable customer* request those *non-contestable customers* to give their written consent to the disclosure of their name, address and other contact details to the *Utilities Commission* and by the *Utilities Commission* to other *retailers*; and
  - (b) provide copies of those consent and information relating to the consenting *customers* to the *Utilities Commission*.
- 17.2 The *licensee* must, at least 28 days prior to the date it expects a *non-contestable customer* to become, or is likely to become, a *contestable customer*:
- (a) notify the *non-contestable customer* in a manner and form specified by the *Utilities Commission* of the date that it will become, or is likely to become, a *contestable customer*;
  - (b) notify the *non-contestable customer* of its applicable tariffs and charges; and
- 17.3 For the purposes of clauses 17.1 and 17.2, the *licensee* must take reasonable steps to identify when its *non-contestable customers* will or are likely to become *contestable customers*.
- 17.4 The *licensee* must continue to offer to *sell* electricity to *contestable customers* on the same tariff schedule as those *customers* were on immediately before becoming *contestable customers* for the *grace period* specified in the *Regulations*.
- 17.5 The *licensee* must take reasonable steps to give a *customer* notice in a manner and form determined by the *Utilities Commission* at least 28 days prior to the expiry of the *customer's grace period*.

## 18 **Standards of service and safety**

The *licensee* must monitor and report on its compliance with the levels of service and safety for *non-contestable customers* which existed at the date of issue of this licence and any minimum standards of service and safety which contained in a *code* made by the *Utilities Commission* under the *Utilities Commission Act*.

## 19 **Standard terms and conditions**

- 19.1 The *licensee* must fix standard terms and conditions and conditions governing the sale of electricity (including the service of making connections to the electricity network) by the *licensee* to its *non-contestable customers* or *customers* of a prescribed class.

19.2 The *licensee* must prepare a summary of the standard terms and conditions in a form approved by the *Utilities Commission*.

## 20 **Coordination Agreement**

20.1 The *licensee* must enter into, and comply with, an agreement, on terms approved by the *Utilities Commission*, with each *electricity entity* holding a *generation licence* or *network licence* which provides services to the *licensee's* *customers* as to the coordination of the provision of services to those *customers*, including arrangements whereby the *licensee* has responsibility for taking up any *customer* complaints about the quality of services being supplied with the other *electricity entity* to the agreement.

20.2 The coordination agreement must be submitted to the *Utilities Commission* by no later than 30 June 2002.

20.3 To avoid doubt, the matters described in this clause 20.1 may be contained in an *access agreement* or another agreement between the *licensee* and another *electricity entity*.

## 21 **Obligation to offer to sell to out-of-contract contestable customers**

21.1 In this clause, an “out-of-contract contestable customer” is a *contestable customer* who:

- (a) is not an *electricity entity*; and either
- (b) an orphaned contestable customer; or
- (c) a post-grace period contestable customer.

21.2 The *licensee* must offer to *sell* electricity to an out-of-contract contestable customer on terms and conditions considered fair and reasonable in the circumstances by the *licensee*.

21.3 Any questions as to whether a *contestable customer* satisfied any of the criteria set out in clause 21.1 will be decided by the *Utilities Commission*.

21.4 Before the *licensee* *sells* electricity to out-of-contract contestable customers, the *licensee* must develop and publish standard terms and conditions governing the sale of electricity by the *licensee* to out-of-contract contestable customers.

21.5 The standard terms and conditions developed and published by the *licensee* under clause 21.4 are to include the principles to be used by the *licensee* to set the prices to be paid for electricity supplied to individual out-of-contract contestable customers.

21.6 The standard terms and conditions developed and published by the *licensee* may be varied from time to time but such variations can only take effect with 28 days written notice to out-of-contract contestable customers.

- 21.7 For *post-grace period contestable customers*, at least 28 days prior to the expiry of a *contestable customer's grace period*, the *licensee* is to advise the *customer* in writing of:
- (a) the exact date, with respect to the *customer*, that the *grace period* expires;
  - (b) the offer to supply electricity at the expiry of the *customer's grace period*;
  - (c) the price to be paid by the *customer* for the electricity supplied to the *customer*; and
  - (d) any other terms and conditions under which the electricity will be supplied.
- 21.8 For *orphaned contestable customers*, if the *licensee* receives a request from such a *customer*, within seven days of receipt of the request the *licensee* is to advise the *customer* in writing of:
- (a) the offer to supply electricity;
  - (b) the price to be paid by the *customer* for the electricity supplied to the *customer*; and
  - (c) any other terms and conditions under which the electricity will be supplied.
- 21.9 The price to be paid by an out-of-contract contestable customer for the electricity supplied to the *customer* can only be varied with 28 days written notice to the *customer*.
- 21.10 The *licensee* must continue to *sell* electricity to an out-of-contract contestable customer for as long as the *customer*.
- (a) pays the price set by the *licensee* for the electricity supplied to the *customer*; and
  - (b) complies with any other terms and conditions under which the electricity is being supplied.
- 21.11 The *licensee's* obligation to *sell* electricity pursuant to clause 21.2 ceases for an out-of-contract contestable customer when that *customer* is supplied electricity under a contract negotiated with an *electricity entity*.

## 22 **Statement of charges**

A statement of charges to *customers* must, if requested by a *customer*, at the time the contract is entered into, separate items for:

- (a) the amounts charged for the electricity sold; and
- (b) the total amounts charged by an *electricity entity* which is authorised to operate an *electricity network* in respect of that *customer*.

**23 Disconnection**

The *licensee* must not *disconnect* or discontinue *supply* of electricity, or take any action which may lead to the *disconnection* or discontinuance of *supply* of electricity to a *customer*, except in accordance with the *disconnection* procedures prescribed in the *System Control Technical Code*, where it applies, or otherwise in accordance with the *customer's* contract.

**24 Customer enquiries**

Within 3 months of issue of this licence, the *licensee* must establish and comply with procedures to deal with customer consultation or enquiries in respect of its *non-contestable customers* on terms approved by the *Utilities Commission*.

**25 Notice of changes**

The *licensee* must notify its *non-contestable customers* of any changes in rights, obligations and charges applicable to the sale of electricity to that *customer* by including an explanatory notice with the next statement sent to that *customer*.

**26 Participation in development of regulatory instruments**

The *licensee* must participate, to the extent specified by the *Utilities Commission*, in the development, issue and review of any regulatory instruments.

**27 Provision of information to the Utilities Commission/System Controller**

The *licensee* must, from time to time, provide the *Utilities Commission* or the *System Controller*, in a manner and form to be determined by the *Utilities Commission* or the *System Controller*, such information as the *Utilities Commission* or the *System Controller* may request.

**28 Operator**

If an operator is appointed to the *licensee's* business under section 41 of the *Electricity Reform Act*, the operator must exercise its functions and powers in such a manner as may be specified by the *Utilities Commission* in the instrument of appointment.

Date: 29-8-2008

THE COMMON SEAL of UTILITIES COMMISSION is duly affixed in the presence of

*[Handwritten signature]*

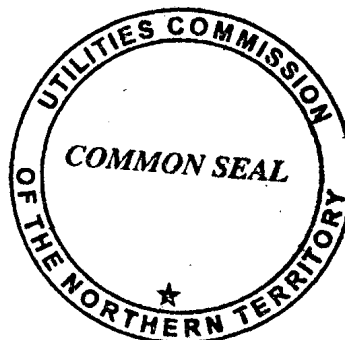
Signature of authorised person

UTILITIES COMMISSION

Office held

ALAN JEFFREY TREGLEAD

Name of authorised person (block letters)



**Schedule 1**  
**Part 1 - Definitions**

In this licence:

*access agreement*” has the meaning given to that term under the *Electricity Reform Act*; *business day*” means a day on which banks are open for general banking business in Darwin, excluding a Saturday or Sunday;

“*code*” means any code made by the *Utilities Commission* under section 24 of the *Utilities Commission Act*;

“*contestable customer*” has the meaning given to that term under the *Electricity Reform Act*;

“*customer*” has the meaning given to that term under the *Electricity Reform Act*;

“*Electricity Reform Act*” means the Electricity Reform Act 2000 (NT);

“*electricity entity*” means a person licensed under Part 3 of the *Electricity Reform Act* to carry on operations in the *electricity supply industry*;

“*electricity network*” has the meaning given to that term under the *Electricity Reform Act*;

“*Electricity Network (Third Party Access) Act*” means the Electricity Network (Third Party Access) Act 2000 (NT);

“*financial year*” means a period of 12 months ending at the end on 30 June;

“*generation licence*” means a licence to *generate* electricity granted under Part 3 of the *Electricity Reform Act*;

“*grace period*” means the period, as specified in the *Regulations*, in which the *licensee* must offer to *sell* electricity to *contestable customers* on the same tariff schedule that applied to those *customers* immediately before becoming *contestable customers*;

“*major shareholder*” means an entity, as defined in section 9 of the Corporations Law, which has a beneficial interest in more than 50% of the shares in the *licensee* or exercises control over the *licensee* within the meaning of section 50AA of the Corporations Law;

“*Minister*” means the Minister of the Crown who is responsible for the administration of the *Electricity Reform Act*;

“*Network Access Code*” means the Network Access Code referred to in the *Electricity Network (Third Party Access) Act*;

“*network licence*” means a licence to operate or own an *electricity network*;

“*Network Technical Code*” means the technical code prepared by the network provider under the *Network Access Code*;

“*non-contestable customer*” has the meaning given to that term under the *Electricity Reform Act*;

“*officer*” means a director, secretary or executive manager responsible for carrying out day to day licensed operations;

“*orphaned contestable customer*” means a *customer* that was previously sold electricity under a negotiated customer contract which has expired and has not subsequently entered into a negotiated contract with an *electricity entity*;

“*post-grace period contestable customer*” means a *customer* that was previously sold electricity by the *licensee* during the *grace period* applying to the *customer* and has not entered into a negotiated contract with an *electricity entity* by the expiry of their *grace period*;

“*power system*” means the system for generating, transmitting, distributing and *supplying* electricity and includes a part of the system;

“*Pricing Order*” means the pricing order issued by the *Minister* and any pricing determination made by the *Utilities Commission* under the *Electricity Reform Act*;

“*Regulations*” means the regulations made under the *Electricity Reform Act*;

“*retail area*” means the geographical area or areas specified in schedule 2 of this licence;

“*retailer*” means a holder of a *retail licence* under Part 3 of the *Electricity Reform Act*;

“*retail licence*” means a licence to *sell* electricity granted under Part 3 of the *Electricity Reform Act*;

“*Ring-Fencing Code*” means the *code* dealing with ring-fencing issues established by the *Utilities Commission* under the *Utilities Commission Act*;

“*rule*” means any rule made by the *Utilities Commission* under section 24 of the *Utilities Commission Act*;

“*System Controller*” means a person licensed under Part 3 of the *Electricity Reform Act* to exercise system control over the *power system*;

“*System Control Technical Code*” means the code of that name made by the *System Controller* and approved by the *Utilities Commission* under section 38(1) of the *Electricity Reform Act*;

“*Utilities Commission*” means the Utilities Commission established under the *Utilities Commission Act*; and

“*Utilities Commission Act*” means the Utilities Commission Act 2000 (NT).

## **Part 2 - Interpretation**

In this licence, unless the contrary intention appears:

- 1 headings are inserted for convenience and do not affect the interpretation of this licence;
- 2 the singular includes the plural and vice versa;
- 3 words importing a gender include any gender;
- 4 the word “person” includes a firm, a body corporate, a partnership, joint venture, an unincorporated body or association, trust or any governmental agency;
- 5 a reference to a condition, clause or schedule is to a condition, clause or schedule of this licence;
- 6 a reference to terms of an offer or agreement is to all terms, conditions and provisions of the offer or agreement;
- 7 a reference to this licence or another document includes any variation or replacement of any of them;
- 8 a reference to a statute, regulation, proclamation, order in council, ordinance, by-laws, code, law or similar instrument includes all statutes, regulations, proclamations, orders in council, ordinances, by-laws, codes, laws and similar instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- 9 a reference to a person includes that person’s executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
- 10 the verb “include” (in all its parts, tenses and variants) is not used as, nor is it to be interpreted as, a word of limitation; and
- 11 if an event must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day.

## **Schedule 2**

### **Retail Area**

The retail area(s) covered by the licence, for which there is a right to sell and retail electricity to non-contestable customers, are the geographic areas serviced by the licensed network provider servicing the following cities and townships:

- Darwin (city, suburbs and surrounding rural areas)
- Tennant Creek (township and surrounding rural areas)
- Katherine (township and surrounding rural areas)
- Alice Springs (township and surrounding rural areas)
- Daly River
- Jabiru
- Borroloola
- Timber Creek
- Daly Waters
- Elliott
- Newcastle Waters
- Yulara
- Ti Tree
- Kings Canyon
- Nhulunbuy
- Groote Eylandt
- Indigenous communities under the Indigenous Essential Services program.

**Schedule 3****Variations to the licence**

<b>Date</b>	<b>Reason for variation</b>
23 October 2007	Correction of typographical error made by the Utilities Commission – correction to “Corporation” instead of “Authority”
29 August 2008	Amendment to Schedule 2: change references from “Aboriginal Essential Services Program” to “Indigenous Essential Services program”