

RETAIL LICENCE
(Contestable Customers and Non-Contestable Customers)

Issued to

POWER AND WATER AUTHORITY

Date of Issue

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Utilities Commission

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

Licensee: Power and Water Authority

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: 24-3-2005

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

[Handwritten signature]

Signature of authorised person

UTILITIES Commissioner

Office held

AUN JEFFREY TREGILGAT

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 (and surrounding areas within the limits of the network as existing on 31 March 2005):

- 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
- Remote Aboriginal Communities under the Aboriginal Essential Services Program.

Schedule 3**Variations to the licence**

Date	Reason for variation