

ELECTRICITY SUPPLY INDUSTRY ACT 1995

NOTICE OF AMENDMENT No. 2

of the

ELECTRICITY RETAIL LICENCE

issued to

AURORA ENERGY PTY LTD

(ACN 082 464 622)

on

18 December 1998

Background

In anticipation of Tasmania's entry into the National Electricity Market [NEM] in May 2005, the Regulator has undertaken a review of the licences held by entities operating in the Tasmanian electricity industry. The review was undertaken to ensure those licences which have been issued are consistent with participation in the NEM and deal with any new issues.

As part of the review, the Tasmanian Government requested a clause be inserted into each licence requiring the licensee to develop an emergency management plan. Participation in the NEM requires informing the system controller, through the Jurisdictional Co-ordinator, of jurisdictional priorities such as sensitive loads and load shedding priorities and the continuing operation of the market. The proposed provision requires the licensee to develop an emergency management plan consistent with guidelines provided by the Jurisdictional Co-ordinator.

The Regulator agreed to propose that change.

As a consequence of the review, the Regulator has proposed a number of further changes to the various entities' licences.

Changes proposed to the Aurora Energy Pty Ltd [Aurora] retail licence, in addition to the emergency management clause, include:

- Restructuring the licence to reflect a more ordered approach;
- Clarifying obligations with respect to compliance;
- Removal of provisions duplicative of matters dealt with in legislation;
- Clarification of the provisions relating to management plans, reporting and independent review;
- Providing details of management and operating contracts if other persons assume operational responsibility for carrying out a substantive part of the operations of the entity; and
- Providing assistance or information to the Reliability and Network Planning Panel.

The Regulator sought public comment on the review and proposed changes to the Aurora licence, in conjunction with the proposed Hydro Electric Corporation licence and changes to the Transend Network Pty Ltd licences. This was done by way of newspaper advertisements and publication on the Office of the Tasmanian Energy Regulator website.

The consultation period ended on 19 November 2004 and submissions were received concerning the proposed changes to the licences. A separate report comprising these submissions and the Regulator's response has been published on the Regulator's website.

The licensee has accepted the amendment of the licence in the terms of the proposal.

Decision

Pursuant to section 28 of the *Electricity Supply Industry Act 1995*, the electricity distribution licence issued on 18 December 1998 to Aurora Energy Pty Ltd and amended on 16 October 2002 is further amended so as to read in accordance with the 12 pages attached to this Notice.

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Andrew John Reeves

Regulator

26 November 2004