



Gas Act 2000

Statement of Reasons

Retail Licence Application

Country Energy

ABN 37 428 185 226

27 March 2008

BACKGROUND

Pursuant to the *Gas Act 2000* (Gas Act), the Director of Gas is responsible for administering the licensing system for gas entities. The Director of Gas has the authority to consider and determine licence applications, and can refuse or issue licences to construct or operate a distribution system or to sell gas by retail.

On 21 December 2007, the Director of Gas received an application from Country Energy for a gas retail licence.

CONSULTATION

The Director of Gas invited public comment in respect of the licence application by way of notice in the *Mercury*, *Advocate* and *Examiner* newspapers and on the website at www.energyregulator.tas.gov.au.

Consultation commenced 12 January 2008 and concluded 1 February 2008. No submissions were received.

DIRECTOR OF GAS' ASSESSMENT

The Director of Gas undertook a 'due diligence' assessment of the licence application from Country Energy, having regard to its compliance with statutory licence application requirements.

The relevant provisions of the Gas Act provide that the Director of Gas may only issue a retail licence if satisfied that the applicant is a suitable person to hold a licence (section 24(2)(b)).

The Gas Act outlines the matters that the Director of Gas may consider in deciding whether an applicant is a suitable person to hold a licence:

(a) Standard of honesty and integrity of applicant

Country Energy states that the applicant, its directors, officers and shareholders are not aware of any claims against them or likely to be commenced against them.

(b) Financial, technical and human resources available to the applicant

Country Energy states that it:

- has sufficient financial resources available to it to operate the activities for which the licence is required;
- has relevant experience in the gas industry;
- holds gas retail licences in other Australian jurisdictions; and
- is familiar with the operation of the Tasmanian gas industry.

The information provided by Country Energy in its licence application satisfies the Director of Gas that Country Energy is a suitable person to hold a retail licence.

DIRECTOR OF GAS' DECISION

The Director of Gas is satisfied that the issue of a licence to Country Energy is consistent with the objectives of the Gas Act.

The Director of Gas issued a gas retail licence to Country Energy on 27 March 2008 for a period of ten years.

The Director of Gas issued the licence accepting that technical and other information supplied by Country Energy in support of its application is true and correct, Country Energy having made full and diligent inquiry in that regard. The Director of Gas has relied in good faith on the representations made by Country Energy in support of its application.

A copy of the licence is available on the website at www.energyregulator.tas.gov.au.

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Andrew John Reeves

DIRECTOR OF GAS

27 March 2008