



**ELECTRICITY SUPPLY INDUSTRY RETAIL
LICENCE**

issued to

AURORA ENERGY PTY LTD

ACN 082 464 622

Tasmanian Electricity Retail Licence

1 Definitions and Interpretation

- 1.1 In this licence, words and phrases appearing in italics have the meaning ascribed to them in part 1 of schedule 1.
- 1.2 This licence must be interpreted in accordance with the rules set out in part 2 of schedule 1.
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2 Grant of Licence

- 2.1 The **Regulator**, in exercise of the powers conferred by section 19 of the *Act*, authorises the retailing of *electricity* by the *Licensee*:
- (a) to *non-contestable customers* in the *supply area*;
 - (b) to any *contestable customers*; and
 - (c) to any *customers* in any area that is not the subject of an exclusive retail franchise,
- subject to the conditions of this licence.
- 2.2 The authority granted under clause 2.1(a) is exclusive.
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3 Compliance with Laws and Other Requirements

- 3.1 The *Licensee* must comply with the *Act*, the *Regulations* and the *Code*.
- 3.2 For the avoidance of doubt, the *statutory licence conditions* are deemed to form part of this licence and the *Licensee* must comply with the *statutory licence conditions*.
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4 Other Licence Conditions

This licence is subject to the conditions set out in schedule 2 and the *Licensee* must comply with the conditions set out in schedule 2.

5 Term of Licence

Subject to this licence and the *Act*, this licence takes effect on and from 21 December 1998 for a period of 10 years.

6 Renewal of Licence

- 6.1 This licence is renewable subject to the *Licensee* meeting the following conditions at the time of renewal:
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- (a) the *Licensee* is not under external administration as defined in the *Corporations Law*;
- (b) the *Licensee* has, in the opinion of the *Regulator*, an acceptable credit rating or financial standing commensurate with the potential financial exposure;
- (c) the *Licensee* has not surrendered the licence in accordance with the *Act*;
- (d) the licence has not been cancelled by the *Regulator* in accordance with the *Act*; and
- (e) the *Regulator* has not taken over the operations of the *Licensee* in accordance with the *Act*.

6.2 An application for renewal must be made in accordance with section 21 of the *Act*.

7 Payment of Fees and Charges

- 7.1 The *Licensee* must pay to the *Regulator* an initial licence fee of \$34,758.
- 7.2 That fee referred to in clause 7.1 is payable 14 days after the date of issue of the licence.
- 7.3 The *Licensee* must pay to the *Regulator* an annual licence fee determined by the *Regulator* and notified to the *Licensee* in writing by 31 May of each year.
- 7.4 The annual licence fee is payable in advance on the first day of July in each year.

8 Communications

- 8.1 A *communication* must be in *writing*.
- 8.2 A *communication* is to be regarded as having been given by the sender and received by the addressee:
 - (a) when delivered in person to the addressee;
 - (b) 3 *business days* after the date of posting, if the *communication* is posted within Australia;
 - (c) 7 *business days* after the date of posting, if the *communication* is posted outside Australia; or
 - (d) when, according to the sender's transmission report, received by facsimile transmission by the addressee.

SIGNED by the **REGULATOR**)
 under the **Electricity Supply**)
Industry Act on 18 December 1998.)

Schedule 1 - Definitions and Interpretation

1 Definitions

In this licence:

(a) words which are defined in the *Act* and which are not defined below have the same meaning where used in this licence; and

(b) the following words or phrases have the following meanings:

“*Act*” means the *Electricity Supply Industry Act 1995* (Tas);

“*business day*” means a day on which banks are open for general banking business in Hobart, excluding a Saturday or Sunday;

“*Code*” means the Tasmanian Electricity Code issued in accordance with section 49A of the *Act*;

“*communication*” means a written notice, agreement, consent, direction, representation, advice, statement or other communication required or given pursuant to or in connection with this licence;

“*compliance plan*” means a written plan developed by the *Licensee* outlining the procedures, practices and strategies for managing and auditing the *Licensee’s* compliance with the *Act*, the *Regulations*, the *Code* and this licence which must include (amongst other things) details of standards, indicators and targets for measuring the *Licensee’s* compliance performance and which must be in accordance with the AS3806 compliance program;

“*customer charter*” means a customer service charter issued by the *Licensee* and approved by the *Regulator* in accordance with the *Code*;

“*customer service plan*” means a written plan developed by the *Licensee* outlining the *Licensee’s* plans and strategies to achieve and review the service standards stated in the *customer charter* and to achieve the service standards specified in the *Tariff Customer Regulations* and must include (amongst other things) standards, indicators and targets for measuring the *Licensee’s* performance against the standards;

“*guidelines*” means a written statement of regulatory intent or policy issued by the *Regulator* for information and guidance of electricity supply industry participants;

“*Licensee*” means Aurora Energy Pty Ltd ACN 082 464 622;

“*management plan*” means a *compliance plan* or a *customer service plan*;

“*Regulations*” means any regulations made pursuant to the *Act*;

“*reporter*” means an appropriately qualified person engaged by the *Licensee* to report to the *Regulator* on compliance with and adequacy of *management plans* in accordance with terms of reference approved by the *Regulator*;

“*standards and procedures*” means overall performance standards or codes of conduct which are issued by the *Licensee* under clause 4.1 of schedule 2 or by the *Regulator* under clause 4.3 of schedule 2;

“*statutory licence conditions*” means the licence conditions referred to in the *Act* and applicable to this licence;

“*supply area*” means the mainland of the State of Tasmania excluding all offshore islands with the exception of Bruny Island;

“*Tariff Customer Regulations*” means regulations made pursuant to the *Act* which prescribe the rights and obligations of *customers* taking supply under a *tariff*;

“*writing*” includes any mode of representing or reproducing words, figures, drawings and symbols in a visible form.

2 Interpretation

In this licence, unless the context otherwise requires:

- (a) headings are for convenience only and do not affect the interpretation of this licence;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing a gender include any gender;
- (d) an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any governmental agency;
- (e) a reference to a condition, clause, schedule or part is to a condition, clause, schedule or part of this licence;
- (f) a reference to terms of an offer or agreement is to all terms, conditions and provisions of the offer or agreement;
- (g) a reference to any statute, regulation, proclamation, order in council, ordinance or by-law includes all statutes, regulations, proclamations, orders in council, ordinances or by-laws varying, consolidating, re-enacting, extending or replacing them and a reference to a statute includes all regulations, proclamations, orders in council, ordinances, by-laws and determinations issued under that statute;
- (h) a reference to a document or a provision of a document includes an amendment or supplement to, or replacement or novation of, that document or that provision of that document;
- (i) a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
- (j) when italicised, other parts of speech and grammatical forms of a word or phrase defined in this licence have a corresponding meaning;
- (k) a period of time:
 - (1) which dates from a given day or the day of an act or event is to be calculated exclusive of that day; or

- (2) which commences on a given day or the day of an act or event is to be calculated inclusive of that day; and
- (1) an event which is required under this licence to occur on or by a stipulated day which is not a *business day* may occur on or by the next *business day*.

Schedule 2 - Other Licence Conditions

1 Provision of Information

- 1.1 The *Licensee* must provide to the *Regulator*, in the manner and form decided by the *Regulator*, such information as the *Regulator* may from time to time require and which is, in the opinion of the *Regulator*, relevant to the *Regulator's* functions under the *Act*.
- 1.2 If the *Licensee* becomes aware of any breach of the *Act*, the *Regulations*, the *Code* or this licence by the *Licensee*, the *Licensee* must notify the *Regulator* as soon as practicable of the breach and provide such information as the *Regulator* requires in relation to the breach.

2 Prudential Reporting

- 2.1 The *Licensee* must report the occurrence of any of the following circumstances to the *Regulator* as soon as possible following the occurrence:
- (a) the *Licensee* is put under external administration as defined in the *Corporations Law*;
 - (b) the *Licensee* experiences a significant change in its circumstances which may affect the *Licensee's* ability to meet its obligations under the *Act*, the *Regulations*, the *Code* or this licence; or
 - (c) the *Licensee* does not have available adequate sources of electricity to enable it to meet reasonably foreseeable obligations under contracts for the sale of electricity.
- 2.2 The *Licensee* must submit to the *Regulator* no later than 30 November of each year:
- (a) audited financial statements relating to the *Licensee's* operations in the electricity supply industry in Tasmania; and
 - (b) evidence that the *Licensee* has an acceptable credit rating or financial standing commensurate with its potential financial exposure.

3 Management Plans and Reports

- 3.1 The *Licensee* must develop and submit to the *Regulator*:
- (a) a *compliance plan*; and
 - (b) a *customer service plan*;
- initially on or before 31 March 1999 or such other date as notified by the *Regulator*, subsequently by the first anniversary of that date, and thereafter, every two years.

- 3.2 The *management plans* are to be made in accordance with and take account of any *guidelines*.
- 3.3 The *Licensee* must undertake community consultation on aspects of *management plans* which may affect the public.
- 3.4 The *Licensee* must consider any comments made by the *Regulator* on the *management plans* and, if required by the *Regulator*, amend provisions of a *management plan* related to reporting to the *Regulator* including processes for capturing and analysing data that is to be reported.
- 3.5 Each year by no later than 31 August, the *Licensee* must provide a report to the *Regulator* which includes:
- (a) details of the *Licensee's* actual performance against the standards, indicators and targets included in the *management plans*;
 - (b) if the *Licensee's* actual performance is below the targets included in a *management plan*, the reasons for the failure to meet the targets and strategies for achieving the targets in the future;
 - (c) projections of the *Licensee's* future performance against the standards, indicators and targets included in the *management plans*;
 - (d) a description of the strategies adopted or to be adopted by the *Licensee* to achieve or exceed the performance targets included in the *management plans*; and
 - (e) details of the *Licensee's* adherence to applicable Australian Standards.
- 3.6 Notwithstanding the provisions of clause 3.5, the *Licensee* shall also report quarterly to the *Regulator* against the *customer service plan* performance indicators. Such quarterly reports shall be submitted to the *Regulator* no later than 30 days after the end of the relevant quarter. The first such quarterly report required pursuant to this clause shall be for the period 1 April 1999 to 30 June 1999.
- 3.7 For the avoidance of doubt, the requirement under clause 3.5 of this schedule 2 to prepare a report containing the information listed in paragraphs (a) to (e), does not limit the *Regulator's* powers under clause 1.1 of this schedule 2, the *Act* or the *regulations* to require the *Licensee* to produce information.
- 3.8 Reports prepared in accordance with clause 3.5 of this schedule 2 are to be submitted to the *Regulator*, accompanied by a report prepared by a *reporter*.

4 Standards and Procedures

- 4.1 At the written request of the *Regulator*, the *Licensee* must participate to the extent specified by the *Regulator* in the development, issue and review of any *standards and procedures* specified by the *Regulator* which is, in the opinion of the *Regulator*, relevant to the *Regulator's* functions under the *Act*.
- 4.2 The *Licensee* must, in accordance with directions of the *Regulator*, report to the *Regulator* on its performance against applicable *standards and procedures*.
- 4.3 If the *Regulator* considers that:

- (a) the *Licensee* has failed to comply with clause 4.1 of this schedule 2; or
- (b) *standards and procedures* applicable to the *Licensee* have been shown to be insufficient to prevent abuses by the *Licensee* of any monopoly power it enjoys,

the *Regulator* may issue *standards and procedures* applicable to the *Licensee* and with which the *Licensee* must comply.

5 Annual Review of Customer Charter

The *Licensee* must complete an annual review of the *customer charter* by 31 August of each year. In particular the review is to examine services that are the subject of service standards and the level of service guarantees. Any revisions to the *customer charter* are to be submitted to the *Regulator* for approval in accordance with the *Code* by not later than 31 August of each year.