



**WOOLNORTH**  
RENEWABLES

Woolnorth Wind Farm Holding Pty Ltd  
ACN 154 051 617  
Level 1, 59 Cameron Street  
Launceston, TAS 7250

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10<sup>th</sup> February 2020

Chris Lock, Director  
Office of the Tasmanian Economic Regulator  
GPO Box 770  
HOBART Tasmania 7001  
cc: office@economicregulator.tas.gov.au

**Re: Woolnorth Submission - Consultation Paper on the Structure of licence fees for the electricity, gas and water and sewerage sectors**

Dear Chris,

Thank you for the opportunity to provide comment on the Office of the Economic Regulator (OTTER) proposed changes to the generator licence fee structure.

Woolnorth Wind Farm Holding Pty Ltd (WNH) supports the move to a user pays approach in determining the generation licence fees and introducing quarterly instalments for payments of annual licence fees

However, WNH seeks further clarification and guidance on the proposed fee structure i.e.;

**1. Variable Costs determination**

When determining the variable cost in terms of the OTTER meetings with generator staff, independent appraisals, and licence amendment and renewals an understanding of the existing effort that would have been allocated to WNH previously would assist our understanding of the cost benefit analysis. Also a further understanding of the;

- The methodology of developing timesheets
- Rates to be applied
- Indexation

**2. Allocation of costs between industry sectors**

OTTER licence fee structure clause 2.2

*The Regulator will allocate its costs to each licensee and industry sector on the basis of 'regulatory effort' directly applied to a licensee or sector. The allocation of staff costs is effected through the maintenance of timesheets. Costs which are deemed to be 'common', such as administrative overheads, will be allocated in proportion to the time that staff expend on a licensee or sector. For example, if 35 per cent of staff time is allocated to the Hydro-Electric Corporation, then 35 per cent of the overheads are applied to that licensee.*



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Clarification, that if OTTER spends "X %" of regulatory efforts in the electricity sector (undertaking works other than for WNH), then WNH would also incur "X %" as of these administrative overheads.

The clarifications will help us to understand the cost-benefit analysis between the present and proposed fee structure.

If you require further information in relation to this letter, please contact Rick Haines (Engineering and Projects Manager) on 0429 320 240 or via email [rick.haines@woolnorthwind.com.au](mailto:rick.haines@woolnorthwind.com.au)

I look forward to further correspondence with you on this matter.

Yours Sincerely

**Stephen Ross**

General Manager

Woolnorth Wind Farm Holding Pty Ltd

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