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SPECIAL

Electricity Industry Act 1993

NOTICE OF VARIATION OF LICENCES

The Office of the Regulator-General hereby gives notice under section 165 of the **Electricity Industry Act 1993** that the following licences have been varied by the Treasurer under section 164 of the **Electricity Industry Act 1993** and under the provisions of each licence. The principal amendments to the licences are set out below:

1. Retail Licence

(a) Clauses

- (1) Clause 3.3—this clause (which imposed an obligation on the Office to give the Licensee 25 years' notice of revocation of the licence) has been deleted.
- (2) Sub-clauses 4.1 (a) and (b) have been deleted and replaced with the words "which are consistent with its obligations, if any, under the Tariff Order".

This amendment is a consequence of the introduction of the Tariff Order.

- (3) Clause 4.2—this clause has been amended to read:

"If the Tariff Order does not apply, an offer made by the Licensee under this clause 4 must include price and other terms which are fair and reasonable and which are not inconsistent in the opinion of the Office with any guidelines published by the Office under the **Office of the Regulator-General Act 1994** which, in the opinion of the Office, are applicable to the offer".

- (4) Clause 4.3—the first sentence of this clause has been deleted as this provision is now part of the amended clause 4.2.
- (5) Clauses 4.5 and 4.6—these clauses (which relate to guidelines published by the Office) have been inserted.

- (6) Clause 5—this clause (which made provision for the submission of approved statements) has been deleted. The remaining clauses have been renumbered.
- (7) Clause 5.2—this clause has been inserted allowing the Office to extend the operation of the Supply and Sale Code beyond 31 December 2000.
- (8) Clause 5.7—this clause has been inserted, allowing the Minister to amend the Supply and Sale Code at any time prior to the privatisation of a State owned distributor.
- (9) Clause 7.2—this clause has been inserted, to impose an obligation on the Licensee to notify the Office of a material breach of any codes or rules applicable to the Licensee.
- (10) Clause 10—this clause has been deleted, as the provision has now been inserted into the **Electricity Industry Act 1993**.
- (11) Clause 10 (new)—this clause has been inserted, to make provision for the establishment of an industry-based dispute resolution scheme, which may take the form of an ombudsman scheme.
- (12) Clause 14—this clause has been inserted to impose confidentiality requirements on the Licensee.
- (13) Clause 15—this clause has been amended to make provision for the payment of periodic licence fees after 30 June 1995.

(b) Definitions

Some definitions have been inserted, deleted or amended to reflect amendments made to the licence.

2. Distribution Licence

(a) Clauses

- (1) Clause 3.3—this clause (which imposed an obligation on the Office to give the Licensee 25 years' notice of revocation of the licence) has been deleted.

- (2) Clause 4.2—the last part of this clause has been amended to make provision for the application of guidelines published by the Office.
- (3) Clause 4.4—this clause has been amended to ensure that an offer to supply electricity must be consistent with the Tariff Order or relevant guidelines published by the Office or any approved statement.
- (4) Clause 4.5—this clause has been deleted. Its provisions are now part of the amended clause 4.4.
The remaining clauses have been renumbered.
- (5) Clause 4.5 (new)—the first sentence has been deleted as this provision is now part of the amended clause 4.4.
- (6) Clause 4.8—this clause has been inserted. It relates to guidelines published by the Office.
- (7) Clause 5.2—the last part of this clause has been added to make provision for the application of guidelines published by the Office.
- (8) Clause 5.3—this clause has been amended as a consequence of the introduction of the Tariff Order.
- (9) Clause 5.4—this clause has been deleted as it is now incorporated into the amended clause 5.3.
The remaining clauses have been renumbered.
- (10) Clause 5.4 (new)—the first sentence has been deleted as this provision is now part of the amended clause 5.3.
- (11) Clause 5.7—this clause has been inserted. It relates to guidelines published by the Office.
- (12) Clause 6.2—this clause has been inserted to impose an obligation on the Licensee to ensure that it has sufficient rights in respect of all necessary services in its distribution area to enable it to enter into a contract with another distributor in respect of the use of such services.
The remaining clauses have been renumbered.
- (13) Clause 6.3 (new)—this clause has been amended to make provision for the application of guidelines published by the Office.

- (14) Clause 6.4—this clause replaces clauses previously numbered 6.3 and 6.4 and makes provision for the application of guidelines published by the Office and approved statements of the Licensee.
- (15) Clause 6.5—the first sentence of this clause has been deleted as this provision is now part of the amended clause 6.4.
- (16) Clause 6.8—this clause has been inserted. It relates to guidelines published by the Office.
- (17) Clause 9.3—this clause has been inserted. It provides that the Licensee must comply with the tendering process prescribed in the licence in relation to augmentation works, unless the Licensee and the person to whom the services are to be provided agree that the Licensee need not comply and the amount the Licensee charges in respect of the augmentation is less than the amount specified by the Office.
- (18) Clause 9.4 (c)—this clause has been inserted. It provides that the Licensee need not comply with the tendering process prescribed in the licence in relation to augmentation works where the total cost to the Licensee of the augmentation is less than the amount specified by the Office.
- (19) Clause 9.5—this clause has been inserted to impose an obligation on the Licensee to comply with the tendering process prescribed in the licence in relation to augmentation works, where such works are to be carried out otherwise than pursuant to an offer to provide connection services.
- (20) Clause 10.5—this clause has been inserted, to allow the Minister to amend the Distribution Code and the Retail Tariff Metering Code at any time prior to the privatisation of a State owned distributor.
- (21) Clause 11.2—this clause has been inserted, to impose an obligation on the Licensee to notify the Office of a material breach of any codes or rules applicable to the Licensee.

The remaining clauses have been renumbered.

- (22) Clause 13—this clause has been deleted, as this provision has now been inserted into the **Electricity Industry Act 1993**.

The remaining clauses have been renumbered.

- (23) Clause 14—this clause has been inserted, to make provision for the establishment of an industry-based dispute resolution scheme, which may take the form of an ombudsman scheme.

- (24) Clause 18—this clause has been inserted to impose confidentiality obligations on the Licensee.

- (25) Clause 19—this clause has been amended to provide for the payment of periodic licence fees after 30 June 1995.

(b) Definitions

Some definitions have been inserted, deleted or amended to reflect amendments made to the licence.

3. Transmission Licence

(a) Clauses

- (1) Clause 3.3—this clause (which imposed an obligation on the Office to give the Licensee 25 years' notice of revocation of the licence) has been deleted.

- (2) Clause 4.2—this clause has been amended. It provides that the Licensee must make an offer to provide connection services within 65 business days of receiving a request or within such other period as the Office decides to be reasonable and that the Licensee must deal with a request for connection services in accordance with any guidelines published by the Office.

- (3) Clause 5—this clause has been inserted, to ensure that where the Licensee provides "other services", the terms and conditions on which they are provided are fair and reasonable.

The remaining clauses have been renumbered.

- (4) Clause 7—this clause has been amended to ensure that any offer to enter a network agreement is consistent with the

Tariff Order, guidelines published by the Office of the Regulator-General and any approved statement applicable to the offer. In circumstances where the Tariff Order does not apply, any offer to enter into a network agreement must be fair and reasonable.

- (5) Clause 9.2—this clause has been inserted, to impose an obligation on the Licensee to notify the Office of the Regulator-General of any material breach of any codes or rules which are applicable to it.

- (6) Clause 11—this clause has been inserted, to make provision for the establishment of an industry-based dispute resolution scheme, which may take the form of an ombudsman scheme.

- (7) Clause 15—this clause has been amended to make provision for payment of periodic licence fees after 30 June 1995.

(b) Definitions

Some definitions have been inserted, deleted or amended to reflect amendments to the licence.

4. Wholesale Electricity Market and Transmission Licence

(a) Clauses

- (1) Clause 2—this clause has been amended to permit the Licensee to transmit electricity using an electricity transmission system.

- (2) Clause 4.2—this clause has been amended. It provides that the Licensee must make an offer to provide network services within 65 business days of receiving a request for network services or within such other reasonable period in accordance with any guidelines published by the Office.

- (3) Clause 4.3—the first sentence of this clause has been deleted as a consequence of the introduction of the Tariff Order.

- (4) Clause 5—this clause has been inserted to ensure that where the Licensee provides "other services", the terms and conditions on which they are provided are fair and reasonable.

The remaining clauses have been renumbered.

- (5) Clause 7.3—this clause has been inserted. It provides that the Licensee must comply with the tendering process prescribed in the licence in relation to augmentation works, unless the Licensee and the person to whom the services are to be provided agree that the Licensee need not comply and the amount the Licensee charges in respect of the augmentation is less than the amount specified by the Office.
- (6) Clause 7.4 (c)—this clause has been inserted. It provides that the Licensee need not comply with the tendering process prescribed in the licence in relation to augmentation works where the total cost to the Licensee of the augmentation is less than the amount specified by the Office.
- (7) Clause 7.5—this clause has been inserted to impose an obligation on the Licensee to comply with the tendering process prescribed in the licence in relation to augmentation works, where those works are to be carried out otherwise than pursuant to an offer to provide network services.
- (8) Clause 9.3—this clause has been inserted. It provides that an amendment proposed by the Office in relation to the System Code, the Wholesale Metering Code or the Pool Rules takes effect when the Office executes a copy of the amendment.
The remaining clauses have been renumbered.
- (9) Clause 9.7—this clause has been deleted as Pool fees are now regulated by the Tariff Order.
- (10) Clause 9.7 (new)—this clause has been inserted, to allow the Minister to amend the Wholesale Metering Code, the System Code and the Pool Rules at any time prior to the privatisation of a State owned distributor.
- (11) Clause 14—this clause has been amended to provide for the payment of periodic licence fees after 30 June 1995.

(b) Definitions

Some definitions have been inserted, deleted or amended to reflect amendments to the licence.

5. Generation Licence

(a) Clauses

- (1) Clause 3.3—this clause (which imposed an obligation on the Office to give the Licensee 25 years' notice of revocation of the licence) has been deleted.
- (2) Clause 5.2—this clause (which provided that certain breaches of the System Code by the Licensee in the period to 30 June 1995 would not constitute a breach of the licence) has been deleted.
- (3) Clause 5.2 (new)—this clause has been inserted to impose an obligation on the Licensee to notify the Office of the Regulator-General of any material breach of any codes or rules which are applicable to it.
- (4) Clause 7—this clause has been deleted, as this provision has now been inserted into the **Electricity Industry Act 1993**. The remaining clauses have been renumbered.
- (5) Clause 11—this clause has been amended to make provision for payment of periodic licence fees after 30 June 1995.
- (6) Clause 17—this clause has been inserted, to impose an obligation on the Licensee to enter into a contract entitled "Generator Code—Insurance Scheme Contract" in a form certified by the Minister.

(b) Definitions

Some definitions have been inserted, deleted or amended to reflect amendments to the licence.

6. Trader Licence

The Trader licence issued on 3 October 1994 to the State Electricity Commission of Victoria has been replaced by four Trader licences issued to the State Electricity Commission of Victoria. The new licences are identical to the Trader licence issued on 3 October 1994 save for the amendments that are set out below:

(a) Clauses

- (1) Clause 2—this clause has been amended to provide that the Licensee is licensed to sell electricity purchased by the Licensee pursuant to the particular Power Supply Agreement the subject of the licence.

- (2) Clause 3.3—this clause (which imposed an obligation on the Office to give the Licensee 25 years' notice of revocation of the licence) has been deleted.
- (3) Clause 4—this clause has been amended to reflect that the provision of ancillary services by the Licensee will mainly relate to the ancillary services under the particular Power Supply Agreement, the subject of the licence.
- (4) Clause 5.2—this clause has been inserted to impose an obligation on the Licensee to notify the Office of the Regulator-General of any material breach of any codes or rules which are applicable to it.
The remaining clauses have been renumbered.
- (5) Clause 5.3—this clause has been amended. It provides that certain breaches of the Systems Code by the Licensee in the period to 30 September 1995 do not constitute a breach of the licence.
- (6) Clause 10—this clause has been amended to provide for the payment of periodic licence fees after 30 June 1995.
- (7) Clause 16—this clause has been inserted, to impose an obligation on the Licensee to enter into a contract entitled "Generator Co-Insurance Scheme Contract" in a form certified by the Minister.

(b) Definitions

Some definitions have been inserted, deleted or amended to reflect amendments made to the licence.

Copies of the relevant licences may be inspected at the premises of the Office of the Regulator-General, Level 1, 35 Spring Street, Melbourne.

Copies of the licences may also be obtained free of charge by application to the Office of the Regulator-General, Level 1, 35 Spring Street, Melbourne 3000, telephone (03) 9651 0222, facsimile (03) 9651 3688.

Dated 1 September 1995

ROBIN C. DAVEY
Regulator-General



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