

SCHEDULE LISTING MINISTERIALLY IMPOSED LICENCE CONDITIONS FOR ELECTRICITY RETAIL SUPPLIERS

This schedule provides a comprehensive list of conditions which the Minister has determined to impose pursuant to clause 6 (1) (b) of Schedule 2 of the *Electricity Supply Act 1995* (the Act). This schedule is a complete list of all ministerially-imposed conditions. In addition to ministerially-imposed conditions, licensees are subject to obligations imposed by the Act, Regulations or associated regulatory instruments. Licensees are encouraged to obtain independent advice as to the conditions and obligations of their licence.

1 National Electricity Market registration

At all times during the term of this *Licence*, the *Licence Holder* must hold and comply with the conditions of:

- (a) a wholesale trader's authorisation, authorising the *Licence Holder* to purchase electricity under wholesale supply arrangements; or
- (b) any equivalent authorisation or right of participation in any national electricity market, granted by the person responsible for the granting of such an authorisation or right of participation under any legislation enacted for the purpose of introducing such a market.

2 Technical and Prudential Criteria

The *Licence Holder* must, throughout the term of this *Licence*, satisfy the same technical and prudential criteria that it is required to meet as a condition of the wholesale trader's authorisation, or the equivalent authorisation or right of participation in any national electricity market, referred to in Clause 1.

3 Separation of Standard Customer Supply Business (Licence Holders with standard retail endorsement only)

3.1 In clause 3.2:

- (a) "standard retail supply affairs" means the business and affairs of the *Licence Holder* relating to the supply of electricity to retail customers inside the supply district which is described in a condition of the *Licence* endorsed as standard retail supplier's *Licence*.
- (b) "standard retail supply functions" means the accounting, management and operational functions of the business and affairs of the *Licence Holder* in relation to the standard retail supply affairs; and
- (c) "resource" includes, without limitation, any asset, service, employee, consultant or contractor.

3.2 From a date to be determined by the *Minister*:

- (a) the standard retail supply affairs of the *Licence Holder* must be kept separate from the other affairs of the *Licence Holder*, including its affairs in relation to the supply of electricity to customers outside of the supply district which is designated in the *Licence*, subject to clause 3.2(c);
- (b) the *Licence Holder* must keep separate accounting and business records for its standard retail supply functions; and
- (c) the *Licence Holder* may use a resource for both its standard retail supply affairs and any of its other affairs, provided that resource is allocated and costed between those affairs in the same way as it would be allocated and costed between separate, unrelated legal entities sharing that resource on a commercial arms length basis.

3.3 The *Minister* may from time to time establish guidelines to be followed by the *Licence Holder* in complying with clause 3 and the *Licence Holder* must comply with any such guidelines.

4 Customer Supply Contracts

4.1 The *Licence Holder* must comply with all provisions of the *Act* and the *Regulations* under the *Act* concerning the procedure for making, the content and effect of standard form customer supply contracts.

4.2 The *Licence Holder* must comply with all provisions of the *Act* in relation to negotiated customer supply contracts.

5 Reporting in accordance with Reporting Manuals

The *Licence Holder* must prepare and submit reports in accordance with the applicable Reporting Manual issued by the *Tribunal*.

6 Compliance management systems

The *Licence Holder* must develop and maintain internal systems capable of effectively managing compliance with its *Licence*.

7 Compliance with statistical reporting obligations

The *Licence Holder* must provide the *Minister* or the *Minister's* nominee such operating statistics and performance indicators as may be requested from time to time by the *Minister* or the *Minister's* nominee. The *Minister* or the *Minister's* nominee will provide the *Licence Holder* with reasons for its request when the initial request is made and after that when a request relates to operating statistics and performance indicators that are of materially different type or category to that provided under the initial or a subsequent request.

8 Information about compliance with Licence Conditions

The *Licence Holder* must furnish to the *Minister* (at such times and in respect of such periods as the *Minister* may determine) such information as the *Minister* may determine, to enable the *Minister* to ascertain whether or not the *Licence Holder* is complying with these *Licence* conditions.

9 Licence Term

The *Licence* remains in force until it is cancelled.

10 Further or Varied Conditions

10.1 Any further conditions imposed on retail suppliers' *licences* from time to time by:

- (a) any *Regulation* issued under the *Act*, including, without limitation, any regulation imposing a condition on the *Licence* specifying the extent to which the *Licence Holder* may engage in electricity generating activity; or
- (b) the *Minister* under clause 6(1) or (2) of Schedule 2 of the *Act*;

or any variations made to the conditions of retail suppliers' *licences* from time to time by:

- (c) any amendments to the *Act* or any *Regulation* issued under the *Act*; or
- (d) the *Minister* under clause 7 of Schedule 2 of the *Act*,

will be taken to be included in and form part of these *Licence* conditions, unless the *Licence* or the *Licence Holder* are expressly excluded from the application of those further or varied conditions.

10.2 Clauses 10.1(b) and (d) are subject to the provisions of section 95 of the *Act*.

11 Licence Fees

11.1 It is a condition of this *Licence* that the *Licence Holder* pay such fees (annual or otherwise) in connection with the holding of the *Licence* as may be determined by the *Minister* from time to time.

11.2 The *Licence Holder* must pay the fees referred to in clause 11.1 in the manner and within the period specified by the *Minister*.

12 Ongoing Technical, Financial and Operational Capacity

12.1 It is a condition of this *Licence* that the *Licence Holder* must maintain, throughout the term of the *Licence*, the technical, financial and operational capacity to carry out the activities authorised by the *Licence*.

Note: The condition under this clause 12 has only been included in Licences granted from 1 July 2008 and does not apply to Licences granted before this date.

13 Supply of carbon tax and green scheme information

The *Licence Holder* must ensure that the following words are included on every electricity bill for a small retail customer which is dated 1 July 2012 or later:

“NSW Govt estimates that the Federal carbon tax and green energy schemes add about \$315 a year to a typical 7MWh household bill – see ipart.nsw.gov.au.”

This figure is to be updated to reflect the *Tribunal's* most recent determination of the impact of green schemes on regulated retail electricity prices in any determination in effect from 1 July 2012 onwards.

The words referred to above must appear in a prominent position on the first page of the bill.

The *Licence Holder* must ensure that the words referred to above:

- (a) appear on the first page of the bill;
- (b) are published in Arial font with a minimum font size of 12 points;
- (c) are in the red colour known as Pantone 186C; and
- (d) appear with no other words against a white background within a border.

Note: From 1 January 2013, the following Licence condition will apply under this clause 13:

The *Licence Holder* must ensure that the following words are included on every electricity bill for a small retail customer which is dated 1 January 2013 or later:

“NSW Govt estimates that the Federal carbon tax and green energy schemes add about \$315 a year to a typical 7MWh household bill – see ipart.nsw.gov.au.”

This figure is to be updated to reflect the *Tribunal's* most recent determination of the impact of green schemes on regulated retail electricity prices in any determination in effect from 1 July 2012 onwards.

The *Licence Holder* must ensure that the words referred to above appear:

- (a) in a prominent position on the first page of the bill and on the envelope; or
- (b1) for single-sided bills, in a prominent position on every page of the bill; or
- (b2) for double-sided bills, in a prominent position on the front page and on every alternate page of the bill thereafter.

Where bills are issued online or without an envelope, the text must be printed in a prominent position on every page of the bill.

The *Licence Holder* must ensure that the words referred to above:

- (a) are published in Arial font with a minimum font size of 12 points;
- (b) are in the red colour known as Pantone 186C; and
- (c) appear with no other words against a white background within a border.

INTERPRETATION AND DEFINITIONS

Interpretation

In these *Licence* conditions, unless the context requires otherwise:

- (a) the singular includes the plural and vice versa;
- (b) headings are used for convenience only and do not affect the interpretation of these *Licence* conditions;
- (c) a reference to a document includes the document as modified from time to time and any document replacing it;
- (d) the word "person" includes a natural person and any body or entity whether incorporated or not;
- (e) references to clauses are references to clauses in these *Licence* conditions.

Definitions

Expressions used in these *Licence* conditions that are defined in the *Act* or the *Regulations* have the meanings set out in the *Act* or the *Regulations*.

In these *Licence* conditions:

Act	means the <i>Electricity Supply Act 1995</i> .
Licence	means the retail supplier's licence granted to the <i>Licence Holder</i> under section 33 of the <i>Act</i> authorising the sale of electricity to retail customers.
Licence Holder	means a person who is the holder of a <i>Licence</i> .
Minister	means the Minister responsible for administering the <i>Act</i> .

Regulations

means regulations made under the *Act*.

Tribunal

means the Independent Pricing and Regulatory Tribunal of New South Wales established under the *Independent Pricing and Regulatory Tribunal Act 1992*.