



## RETAIL LICENCE

Issued to

Commonwealth of Australia, represented by the Department of Defence

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## **Retail Licence**

### **Licensee: Commonwealth of Australia, represented by the Department of Defence**

#### **1 Definitions and Interpretation**

1.1 In this licence a word or phrase in italics:

- (a) has the meaning given to it in part 1 of schedule 1; or
- (b) if the word or phrase is not defined in part 1 of schedule 1, then it has the meaning given to it in the *Electricity Reform Act*.

1.2 This licence must be interpreted in accordance with the rules set out in part 2 of schedule 1.

#### **2 Grant of licence**

Under Part 3 of the *Electricity Reform Act*, the *Utilities Commission* grants the licensee a licence to:

- (a) trade in electricity; and
- (b) sell electricity generated from within the geographic area specified in schedule 2 to *electricity entities* holding a *retail licence*

in accordance with the terms and conditions of this licence.

#### **3 Term**

This licence commences on the date it is issued and continues until the earlier of:

- (a) when it is surrendered by the licensee under section 35 of the *Electricity Reform Act*; or
- (b) when it is cancelled by the *Utilities Commission* under section 36 of the *Electricity Reform Act*.

#### **4 Annual return**

The licensee must lodge an annual return containing such information as is required from time to time by the *Utilities Commission* by written notice.

#### **5 Suspension of licence**

This licence may be suspended under section 36 of the *Electricity Reform Act*.

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**6 Variation of licence**

This licence may only be varied in accordance with section 32 of the *Electricity Reform Act*.

**7 Transfer of licence**

This licence may only be transferred in accordance with section 33 of the *Electricity Reform Act*.

**8 Licence fee and other charges**

8.1 The licensee must pay an annual licence fee or instalment of the annual licence fee, as the case may be, to the *Utilities Commission* as determined by the *Minister* under section 19 of the *Electricity Reform Act*.

8.2 The licensee must pay the *System Controller* any charges relating to the operations of system control.

**9 Capacity to operate**

9.1 The licensee must, from time to time, provide the *Utilities Commission* with details of the licensee's financial, technical and other capacity to continue operations under this licence, if requested to do so by the *Utilities Commission*.

9.2 The licensee must provide any information requested by the *Utilities Commission* under clause 9.1 of this licence:

- (a) in a manner and form determined by the *Utilities Commission*; and
- (b) within 20 *business days* of the request.

**10 Compliance with regulatory instruments**

10.1 The licensee must, as amended from time to time, comply with:

- a) all applicable provisions of the *System Control Technical Code* and the *Network Technical Code*;
  - b) all applicable provisions of a code or rule made under the *Utilities Commission Act*, except the *Electricity Industry Performance Code* and *Electricity Retail Supply Code*;
  - c) any applicable protocol, standard and code applying to the licensee under the *Regulations*; and
  - d) all applicable laws including, the *Regulations*, the *Pricing Order* and any technical or safety requirements or standards contained in *Regulations* made under the *Electricity Reform Act*.
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## 11 Compliance process and compliance reporting

11.1 The licensee is to establish and maintain a compliance process.

- (a) Within 3 months of issue of this licence, the licensee must establish, document, maintain and comply with appropriate auditable internal policies, procedures and systems (“compliance process”) for ensuring that it complies with its obligations under this licence, and all applicable laws, *codes*, *rules* or standards.
- (b) The compliance process must include policies, procedures and systems for:
  - (i) regular internal audit by the licensee of its compliance with its obligations under this licence; and
  - (ii) detecting and reporting to the *Utilities Commission* any breach of the compliance procedures.
- (c) The *Utilities Commission* may (after giving reasonable notice to the licensee) require the licensee to demonstrate to the *Utilities Commission’s* satisfaction that:
  - (i) the licensee’s compliance procedures are adequate; and/or
  - (ii) the licensee is complying with its compliance procedures;
- (d) Any notification made by the *Utilities Commission* to the licensee concerning the *Utilities Commission’s* opinion of the adequacy of the compliance process of the licensee will not affect the licensee’s obligations under this licence.

11.2 External audit.

- (a) The *Utilities Commission* may, upon reasonable notice to a licensee, require the licensee to appoint an independent auditor to undertake an audit of the licensee’s compliance with any of its obligations under this licence.
  - (b) The standards or requirements to apply to an audit under clause 11.2 will be determined by the *Utilities Commission* in consultation with the licensee. The auditor will report in accordance with those standards or requirements.
  - (c) The auditor will provide a copy of the auditor’s report to the licensee and the *Utilities Commission* as soon as reasonably possible after it has been completed.
  - (d) The licensee will be responsible to pay the costs of undertaking the audit.
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### 11.3 Appointment of external auditor by *Utilities Commission*.

- (a) The *Utilities Commission* may, upon reasonable notice to a licensee, appoint an independent auditor to undertake an audit of the licensee's compliance with any of its obligations under this licence.
- (b) In the event that the *Utilities Commission* appoints an independent auditor,
  - (i) the *Utilities Commission* will nominate the standards and requirements, and the auditor will report in accordance with those standards or requirements; and
  - (ii) the licensee must cooperate with any reasonable requests made by the independent auditor in undertaking the audit.
- (c) The *Utilities Commission* will provide a copy of the auditor's report to the licensee as soon as reasonably possible after it has been completed.
- (d) The licensee will be responsible to pay the costs of undertaking the audit.

### 11.4 Notification of breaches to the *Utilities Commission*.

- (a) A licensee must report any material breach of its obligations under this licence to the *Utilities Commission* as soon as reasonably possible after becoming aware that the breach has occurred, and must advise of the remedial action that is being undertaken to rectify the breach.

## 12 Changes in officers or major shareholders

The licensee must notify the *Utilities Commission* of any change to any *officer* and, if applicable, any *major shareholder* of the licensee, within 20 *business days* after the change.

## 13 Community service obligations

The licensee must comply with the requirements of any scheme approved and funded by the *Minister* for the performance of community service obligations by *electricity entities*.

## 14 Customer standards and procedures

- 14.1 The licensee must develop and comply with customer related standards and procedures within 3 months of issue of this licence.
  - 14.2 The licensee must comply with its obligations under the procedures.
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**15 Disconnection**

The licensee must not *disconnect* or discontinue *supply* of electricity, or take any action which may lead to the disconnection or discontinuance of supply of electricity to a *customer*, except in accordance with the disconnection procedures prescribed in the *System Control Technical Code*, where it applies, or otherwise in accordance with the *customer's* contract.

**16 Participation in development of regulatory instruments**

The licensee must participate, to the extent specified by the *Utilities Commission*, in the development, issue and review of any regulatory instruments.

**17 Provision of information to the Utilities Commission/System Controller**

The licensee must, from time to time, provide the *Utilities Commission* or the *System Controller*, in a manner and form to be determined by the *Utilities Commission* or the *System Controller*, such information as the *Utilities Commission* or the *System Controller* may request.

**18 Operator**

If an operator is appointed to the licensee's business under section 41 of the *Electricity Reform Act*, the operator must exercise its functions and powers in such a manner as may be specified by the *Utilities Commission* in the instrument of appointment.

Date: ..... 27 July 2020 .....

THE COMMON SEAL of UTILITIES )  
COMMISSION is duly affixed in the )  
presence of: )

*Kimberlee McKay* )  
Signature of authorised person )

*Director Utilities Commission* )  
Office held )

*KIMBERLEE MCKAY* )  
Name of authorised person (block letters) )



## Schedule 1

### Part 1 - Definitions

In this licence:

“*business day*” means any day that is not a Saturday, a Sunday or a public holiday in the Northern Territory of Australia as declared under the *Public Holidays Act 1981 (NT)*;

“*code*” means any code made by the *Utilities Commission* under section 24 of the *Utilities Commission Act*;

“*customer*” has the meaning given to that term under the *Electricity Reform Act*;

“*electricity entity*” means a person licensed under Part 3 of the *Electricity Reform Act* to carry on operations in the electricity supply industry;

“*Electricity Industry Performance Code*” means the code of that name made by the *Utilities Commission* under section 24 of the *Utilities Commission Act*;

“*Electricity Reform Act*” means the *Electricity Reform Act 2000 (NT)*;

“*Electricity Retail Supply Code*” means the code of that name made by the *Utilities Commission* under section 24 of the *Utilities Commission Act* and regulation 2A of the *Utilities Commission Regulations*;

“*financial year*” means a period of 12 months ending at the end on 30 June;

“*major shareholder*” means an entity, as defined in section 9 of the *Corporations Act 2001 (Cth)*, which has a beneficial interest in more than 50% of the shares in the licensee or exercises control over the licensee within the meaning of section 50AA of the *Corporations Act 2001 (Cth)*;

“*Minister*” means the Minister of the Crown who is responsible for the administration of the *Electricity Reform Act*;

“*Network Technical Code*” means the technical code prepared by the network provider under the *Electricity Reform (Administration) Regulations 2000 (NT)*;

“*officer*” means a director, secretary or executive manager responsible for carrying out day to day licensed operations;

“*power system*” means the system for generating, transmitting, distributing and supplying electricity and includes a part of the system;

“*Pricing Order*” means the pricing order issued by the Minister and any pricing determination made by the *Utilities Commission* under the *Electricity Reform Act*;

“*Regulations*” means the regulations made under the *Electricity Reform Act*;

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“*retail licence*” means a licence to sell electricity granted under Part 3 of the *Electricity Reform Act*;

“*rule*” means any rule made by the *Utilities Commission* under section 24 of the *Utilities Commission Act*;

“*System Controller*” means a person licensed under Part 3 of the *Electricity Reform Act* to exercise system control over the *power system*;

“*System Control Technical Code*” means the code of that name made by the *System Controller* and approved by the *Utilities Commission* under section 38(1) of the *Electricity Reform Act*;

“*Utilities Commission*” means the *Utilities Commission* established under the *Utilities Commission Act*;

“*Utilities Commission Act*” means the *Utilities Commission Act 2000 (NT)*; and

“*Utilities Commission Regulations*” means the regulations made under the *Utilities Commission Act*.

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## **Part 2 - Interpretation**

In this licence, unless the contrary intention appears:

1. headings are inserted for convenience and do not affect the interpretation of this licence;
  2. the singular includes the plural and vice versa;
  3. words importing a gender include any gender;
  4. the word "person" includes a firm, a body corporate, a partnership, joint venture, an unincorporated body or association, trust or any governmental agency;
  5. a reference to a condition, clause or schedule is to a condition, clause or schedule of this licence;
  6. a reference to terms of an offer or agreement is to all terms, conditions and provisions of the offer or agreement;
  7. a reference to this licence or another document includes any variation or replacement of any of them;
  8. a reference to a statute, regulation, proclamation, order in council, ordinance, by-laws, code, law or similar instrument includes all statutes, regulations, proclamations, orders in council, ordinances, by-laws, codes, laws and similar instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
  9. a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
  10. the verb "include" (in all its parts, tenses and variants) is not used as, nor is it to be interpreted as, a word of limitation; and
  11. if an event must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day.
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## Schedule 2

### Geographic areas

The following are geographic areas, for the purpose of clause 2(b) of this licence.

Robertson Barracks, Holtze
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RAAF Darwin, Winnellie
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### Schedule 3

#### Variations to the licence

Date	Reason for variation

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