

Puma Energy (Australia) Pty Ltd

Application for an Individual Exemption (Retail)

1. General information requirements

Please provide the following information in your application for the grant of an individual exemption:

1.1 **Your legal name. If you are a body corporate or community corporation, please indicate this.**

Puma Energy (Australia) Pty Ltd

1.2 **Your trading name if different to your legal name.**

Not Applicable

1.3 **Australian Business Number (ABN) or Australian Company Number (ACN).**

ACN 147 981 020

1.4 **Registered postal address for correspondence. We may verify this information with the Australian Securities and Investments Commission (ASIC) or other relevant agency.**

Level 7, 207 Kent Street, Sydney, NSW 2000

1.5 **Nominated contact person, including their position in the organisation and contact details.**

Charles Wright

Director / Operations Manager

Phone: 0412 030 056

Email: charles.wright@pumaenergy.com

1.6 **Why you are seeking an individual exemption, and why you believe that an exemption (rather than a retailer authorisation) is appropriate to your circumstances.**

Puma Energy (Australia) Pty Ltd (**Puma**) and BP Australia Pty Ltd (**BP/customer**) are co-located at the Kirra St industrial site. Puma holds the retail electricity contract for the entire site and the electrical connection to the external distribution network and the site control system are on land controlled and operated by Puma. Puma will provide a variety of services to the customer, including the provision of electricity. In these circumstances Puma will be selling energy to the customer. As Puma does not hold a retailer authorisation and the energy sale does not fit into any of the deemed or registrable exemption categories, an individual exemption is appropriate. An individual exemption is more appropriate for Puma than a retail authorisation as the primary relationship with the customer is not the sale of energy and Puma are only selling energy to one customer.

1.7 **The address of the site at which you intend to sell energy, including a map of the site and a brief description of this site and its current and future use/s.**

Lot 846 on Survey Plan 135226. A map of the site has been included at Schedule 1. The site contains integrated heated storage tanks and associated loading facilities. Puma and the customer will be co-located on the site as shown on the site map. Puma will control the key electricity infrastructure on the site including the control room, meter and oil tank heaters.

1.8 **The primary activity of your business (for example, managing a shopping centre).**

Puma's primary relevant activity is a bitumen business which includes bitumen tank storage at the site.

1.9 **The form of energy for which you are seeking the individual exemption (electricity or gas). For electricity, please state whether the network you propose to sell is directly or indirectly connected to the main grid or is (or will be) an off-grid network.**

Electricity. The site is connected to the external electricity distribution network and electricity is metered as it enters the site.

1.10 **Are you establishing, or have you established, energy supply in an area where there are no other viable energy supply arrangements available.**

Electricity for the whole site (Puma and the customer) is sourced from a retailer of choice and supplied from the existing electricity distribution network.

1.11 **The date from which you intend to commence selling energy.**

Puma will only sell electricity to the customer following the date that it receives an exemption. The anticipated date for this on-selling is 1 October 2015.

1.12 **Mailing addresses for premises at the site (where applicable). We may use this information to ensure that potential customers are able to participate in our consultation process.**

There is only one customer whose contact details are below:

Fraser Cunningham

BP Marine

Phone: +61 3 9268 3651

1.13 **Details of any experience in selling energy, for example:**

- (a) date/s and location/s of previous operations
- (b) form/s of energy sold
- (c) scale of operations (that is, the number, size and type of customers)
- (d) an explanation of which activities will be conducted in-house and which will be contracted out to third parties.

Puma is a large energy corporation operating in the petroleum and energy sectors. Puma is not an electricity retailer in Queensland. Puma has experienced technical and commercial employees that will be responsible for management of its operations and is confident that it can appropriately manage any electricity on supply to the customer at the site.

1.14 **Whether you currently hold, or have previously held or been subject to, an energy selling exemption or a retail licence (retailer authorisation) in any state or territory. If so, please provide details.**

Puma Energy (Australia) Pty Ltd has not held or been subject to, an energy selling exemption or a retail licence (retailer authorisation) in any state or territory.

- 1.15 **What arrangements you have made in the event that you can no longer continue supplying energy (e.g., has the retailer that sells to you agreed that they will service the customers).**

Puma and the customer have entered into a commercial arrangement in relation to the operations to be conducted at the site and the services to be provided. In the event that Puma fail to on-sell electricity to the customer, the customer has rights to access electricity supply for the site at the control infrastructure.

2. **Particulars relating to the nature and scope of the proposed operations**

To determine whether it is appropriate to exempt you from the requirement to hold a retailer authorisation, we need information on the nature and scope of the operations you propose to conduct. Please answer the following questions:

- 2.1 **Will your customers be your tenants? If so, are they residential or commercial/retail? Are they covered by residential or retail tenancy, or other legislation governing accommodation that is a person's principal place of residence (for example, retirement village legislation, residential parks or manufactured home estates legislation) in your state or territory?**

There are no residential or retail tenancies involved at the site. The site contains an integrated operation whereby Puma and the customer (both industrial businesses) are co-located on the site. Puma will control the electrical control room and electrical systems for the site.

- 2.2 **Are you providing other services (for example, accommodation/leasing of property) to persons on the site who you intend to sell energy to? Or will your only commercial relationship to persons on the site be the sale of energy? If you are providing other services, please specify what these services are, and the contractual or leasing arrangements under which these services are being provided.**

Puma will be supplying the customer with a range of other services at the site which have the aim of ensuring the continued operation of the co-located industrial plant, for example maintenance and inspection services, heating services and emergency fire systems.

- 2.3 **What is the total number of dwellings/premises at the site? Please provide a breakdown between residential and business customers (and whether they are small or large as defined for the jurisdiction in which you intend to operate).**

The site is an industrial site and there are no dwellings present. There is only one customer on the site, currently BP Australia Pty Ltd, who is a large customer.

- 2.4 **Will you be onselling energy (that is, selling energy purchased from an authorised retailer) or purchasing it directly from the wholesale market?**

Puma will be on-selling energy purchased from an authorised retailer under a retail contract.

- 2.5 **If purchasing from an authorised retailer, have you formed, or do you intend to form, a bulk purchase contract with the energy retailer, and how far into the future does this, or will this, contract apply? If you have formed, or intend to form, a contract, please provide a brief summary of this arrangement.**

It is currently proposed to continue with a site specific energy retail contract. The energy retailer contract will be maintained for the life of the site's operations.

- 2.6 **What is the estimated aggregate annual amount of energy you are likely to sell (kilowatt hours or megawatt hours for electricity and mega joules or gigajoules for gas) and the average expected consumption of customers for each type of customer you service (that is, residential customers and retail or commercial customers)?**

Whilst Puma does not have an estimate for the amount of energy it is likely to sell to the customer, the total annual energy consumption for the site is currently 3,120 MWh. It is anticipated that the on sale to the customer will exceed 100 MWh per annum.

2.7 Will your customers be wholly contained within a site owned, controlled or operated by you? (For the purposes of this question, a body corporate may be taken to 'operate' premises it oversees).

The facilities at the site are integrated and wholly contained within the Kirra Street site. The electrical connection to the external distribution network and the site control system are on land controlled and operated by Puma. Puma's customer is located on the site in which Puma controls the electrical network and supply.

2.8 Will each premises/dwelling be separately metered? If the application is for a new development or a redevelopment and customers will not be separately metered, please explain why not.

The energy supply into the customer's area of the site will not be individually metered. There is only one meter on the site and this is located on land controlled by Puma. The level of integration of the electricity network at the site is such that it is not possible to separately meter the electricity supplied to the customer. The parties have a commercial agreement between them that, in circumstances where electricity is on sold to the customer, provides for an apportionment regime to apply.

2.9 What types of meters will be used? For example, basic/accumulation meters, manually read interval meters or remotely read interval meters? Will these meters allow your customers to change retailers (i.e. not source their energy from you)?

The site meter is one that complies with the network and retail requirements and allows the site to have access to a retailer of choice. Puma is seeking this individual exemption to cover the circumstances where the parties are not jointly purchasing electricity from a retailer and Puma is on-selling electricity to the customer. As separate metering is not practical given the integrated electrical installation, the customer would in the on-supply circumstance not have access to a retailer of their choice.

2.10 What accuracy standards apply to the meters? Do the meters comply with Australian Standards? If so, specify which Standard or Standards. For electricity meters, will the meters comply with National Measurement Act 1960 (Cth) requirements for electricity meters installed from 1 January 2013?

As noted above the site meter complies with the relevant measurement standards and metering standards, however there will be no additional meters installed given the integration of the electrical installation.

2.11 If customer dwellings/premises are separately metered, how often do you propose the meters to be read and by whom?

Not applicable as there is no metered supply of energy to the customer.

2.12 How will you determine energy charges if customers are not separately metered?

Energy charges will be split based on each party's proportional usage. Each party's proportional energy usage is to be determined by an annual independent energy audit.

2.13 In what form and how often will customers be billed? Will you be issuing bills yourself or through a billing agent?

Billing will be on a monthly basis subject to an annual energy use audit to determine Puma's and the customer's energy usage.

2.14 **What dispute resolution procedures do you intend to put in place to deal with energy related complaints and issues?**

The customer and Puma have an agreed dispute resolution process for complaints or issues relating to energy usage. These include the appointment of an independent energy auditor and completion of an annual independent energy audit. In addition there is a further dispute resolution process that includes resolution by senior management.

2.15 **What energy rebates or concessions are available for your customers and, if applicable, how can customers claim these?**

Not applicable.

2.16 **Will you make energy efficiency options available to your customers? Will your network incorporate solar or other generation options for sustainability purposes? If so, will you use gross or net metering?**

There is currently no proposal to install solar or other power generation options on the site. Energy efficiency of plant and equipment on the site will be the subject of an annual energy audit.

2.17 **Please provide any further information that you consider would assist us to assess your application.**

Schedule 1 - Image of Kirra Street Site