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### ***By email***

Dear Sir / Madam

### **Application for minor variation by South Australian Chamber of Mines and Energy (SACOME) – Authorisations A91567 & A91568 – interested party consultation**

The Australian Competition and Consumer Commission (**ACCC**) has received an application from South Australian Chamber of Mines and Energy (**SACOME**) for a minor variation to authorisations A91567 & A91568, which were granted to SACOME on 17 May 2017 (**Authorisation**) (the **application for minor variation**).

A minor variation is a variation to an authorisation that does not involve a material change in the effect of the authorisation. To grant a minor variation to an authorisation, the ACCC must be satisfied that the variation would not be likely to result in a reduction in the extent to which the benefit to the public of the authorisation outweighs the detriment to the public caused by the authorisation.

The ACCC would like to invite you to comment on the application for minor variation. A copy of the application for minor variation is available on the ACCC's website:

[SACOME minor variation](#)

A summary of the authorisation process including how to make a submission to the ACCC is located here: [Authorisation process - the basics](#)

### **The Authorisations**

On 17 May 2017, the ACCC granted authorisation for SACOME and 27 other South Australian organisations, to establish a joint electricity purchasing group, conduct a joint tender for electricity supply arrangements and jointly negotiate the terms and conditions of their electricity supply agreements

The ACCC considered that the proposed conduct was likely to result in public benefit through transaction costs savings and increased competition for generation and wholesale supply of electricity in South Australia. The ACCC considered that any public detriments likely to result from the proposed arrangements were minimal.

The ACCC authorised the conduct for a period of 11 years, until 8 June 2028.

### **Proposed minor variation to A91567 & A91568**

The proposed variation seeks to amend the list of participating members in the joint electricity purchasing group to remove Arrium Limited and substitute the Arrium Limited subsidiaries that will be part of the purchasing group under the authorised conduct:

- OneSteel Manufacturing Pty Ltd

- OneSteel Trading Pty Limited
- OneSteel Reinforcing Pty Limited
- OneSteel Recycling Pty Limited
- The Australian Steel Company (Operations) Pty Limited.

SACOME submits that the purpose of the proposed variation is to specify the subsidiary companies that operate the relevant businesses within the Arrium Group and that will be the entities that would enter into any contracts arising out of participation in the joint electricity purchasing group which has been authorised by the ACCC.

SACOME submits that the proposed variation is a mere technical change to the name of a participating member. SACOME submits, therefore, that the change satisfies the definition of minor variation in the Act and that the variation will not result in any reduction in the net benefit of the arrangements.

### **Request for submissions**

The ACCC invites you to make a submission on the likely public benefits and the likely effect on competition, or any other public detriment, from the proposed variation.

If you intend to provide a submission, please do so by **8 August 2017**.

Submissions, including oral submissions, will be placed on the ACCC's public register subject to any request for exclusion. Please see the ACCC's publication [Guidelines for excluding information from the public register](#).

You can also forward this letter to any other party who may wish to make a submission to the ACCC regarding this application for minor variation.

The ACCC expects to make a decision about the proposed variation in August 2017.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Kaitlin Hanrahan on 03 9290 1917.

Yours sincerely



Gavin Jones  
Director  
Adjudication

**Potentially interested parties consulted:**

Adrian Pederick, State Member for Hammond

AGL

Alinta Energy Retail Sales

ATCO

Australian Industry Group

Business SA

Dan van Holst Pellekaan MP, Shadow Minister for Mineral Resources and Energy

Energy Australia

Engie Australia

National Irrigators Council

Origin Energy

Port Pyrie Regional Council

Snowy Hydro Limited (owner of Lumo Energy)

Steve Griffiths, State Member for Narungga (formally Goyder)

Tim Whetstone, State Member for Chaffey

Whyalla City Council