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1 April, 2008

Mr Greg Wilson Chairperson Essential Services Commission, Victoria Level 2, 35 Spring Street Melbourne, VIC 3000

Email: EnergyRegulatory Review@esc.vic.gov.au

Dear Mr Wilson,

Review of Energy Regulatory Instruments.

Thank you for the opportunity to comment on the Essential Services Commission's Review of Energy Regulatory Instruments to identify opportunities to improve and streamline the regulatory framework.

CitiPower and Powercor offer the following suggestions for your consideration.

Victorian Electricity Supply Industry Metrology Procedure.

This regulatory instrument deals with metrology for second tier loads in the National Electricity Market and has been largely superceded by the National Electricity Market Metrology Procedure developed by NEMMCO and industry consultation following the Joint Jurisdictional Review of the Metrology Procedures in 2004 which recommended that NEMMCO assume the role of metrology co-ordinator.

Electricity Customer Metering Code

Following the recommendations of the Joint Jurisdictional Review of the Metrology Procedures in 2004, Chapter 7 of the National Electricity Rules has been amended to provide for the harmonisation of metrology and to include first tier metering. Also, the revision of the National Metrology Procedure to include first tier metering is in its final phases. It is therefore opportune to review the provisions of the Electricity Customer Metering Code to remove duplication.

Network Tariff Reassignment

CitiPower and Powercor support the mandatory reassignment of customers to interval tariffs, and consider it essential for the benefits of the Advanced Metering Infrastructure (AMI)

programme to be realised. In the 2006-10 EDPR, the importance of tariff reassignment was acknowledged by the Commission and a process was to be implemented to establish transitional arrangements. The resolution of rules around tariff reassignment associated with the rollout of interval meters is becoming urgent given the prescribed rollout schedule for AMI commences in 2009.

Electricity Distribution Code

Clause 6.3.3 provides for situations where a supply restoration payment is not required to be made by a distributor. This provision deals with "planned interruptions" which is not appropriate as supply restoration and low reliability payments are associated only with unplanned interruptions and momentary interruptions, not planned interruptions.

If you require further information, or clarification on any matters, please do not hesitate to give me a call on telephone 9683 4282 or email to rherrmann@powercor.com.au.

Yours sincerely

Rolf Herrmann Manager Regulation