

3 September 2008

Mr Mike Buckley
General Manager
Network Regulation North Branch
Australian Energy Regulator

Email: annualcompliance@aer.gov.au

Dear Mike,

Annual Compliance Process — Gas

The Energy Retailers Association of Australia (ERAA) appreciates this opportunity for industry comment on the proposed AER annual compliance process in gas.

The ERAA is an association representing 13 retailers of electricity and gas throughout the National Electricity Market and the jurisdictional gas markets. ERAA members collectively provide electricity and gas to the majority of customers in Eastern Australia and are the first point of contact for end-use customers for both gas and electricity.

The ERAA is concerned with one particular aspect of the annual compliance process. Rule 37 of the NGR, which applies specifically to service providers operating under a light regulation services model, places an obligation on such companies to report annually to the AER on access negotiations they have had with access seekers. Discretion remains with the AER under Rule 37(3) to publish such information from “time to time”.

ERAA members are concerned to know that the contents of their negotiations, let alone the fact that they are engaged in exploratory negotiations, might be inadvertently broadcast to competitors and would-be competitors by the AER. This can be, and is more often than not, treated as commercially sensitive and significant information. The release of such information would have the effect of potentially undermining the commercial strategies of Users and Shippers. If such information were to be released by the AER, the ERAA would suggest that

they only be reported when negotiations have been completed. The reporting of access negotiations in progress is felt to be inimical to commercial practice.

Should you wish to discuss further the matter raised in this submission, please contact George Foley on (03) 8633 6239 or me on (02) 9437 6180.

Yours Sincerely,

[Transmitted Electronically]

Cameron O'Reilly
Executive Director
Energy Retailers Association of Australia