



20 September 2013

Chris Pattas
General Manager - Network Operations and Developments
Australian Energy Regulatory
GPO Box 520
Melbourne Vic 3001

By email: confidentiality@aer.gov.au

Dear Chris

Thank you for the opportunity to make a submission on the AER's Draft Confidentiality Guideline.

The AER is proposing a two stage process. Through this process the AER is attempting to minimize the extent of confidentiality claims when proposals are made by Network Service Providers (NSP)s. Then, for the remaining confidentiality claims, the process obliges NSPs to justify their claims and has created a process to allow users and others to access such information.

The AER's approach is well intended and we support the fundamental architecture of your approach.

However we do have a fundamental concern. Our experience in many revenue resets is that getting to the heart of many proposals typically requires far deeper analysis and hence data than is provided in NSP's proposal documents. Typically such information is obtained through direct interaction with NSPs and follows an iterative process of question and answer.

It is quite clear that the AER and governments are expecting ever higher levels of engagement between NSPs and end users and their representative organisations. We are concerned that during the process of interacting with NSPs after their applications have been lodged, that our and our members' endeavours in scrutinizing NSP's proposals could be frustrated by confidentiality claims.

Energy Users Association of Australia
ABN 83 814 086 707

Suite 1, Level 2, 19-23 Prospect Street, Box Hill, Victoria, 3128
Phone: (03) 9898 3900 Fax: (03) 9898 7499 Email: euaa@euaa.com.au
www.euaa.com.au

This is a real prospect and has been the case in the past. In our experience this can typically be resolved through bi-lateral confidentiality agreements, although this is not the preferable approach. There is also the prospect that NSPs may simply to refuse to provide the information requested. We would like to request that before the finalization of this guideline, that the AER gives some thought to how this may be resolved in order to ensure quick resolution of confidentiality claims that arise in the course of the assessment – by energy users – of NSPs' expenditure proposals.

We would be pleased to discuss this with you in due course.

Yours sincerely

Phil Barresi
Chief Executive Officer