

28 November 2003

Mr Sebastian Roberts
General Manager - Electricity
ACCC
PO Box 1199
Dickson ACT 2602

Dear Mr Roberts

Response to the ACCC's review of the Draft Statement of Regulatory Principles (DRP)

EnergyAustralia is pleased to submit the following information in response to the ACCC's review of the Draft Statement of Regulatory Principles (DRP). While EnergyAustralia acknowledges the importance of the Regulatory Principles being able to be reviewed to ensure they remain current and relevant, EnergyAustralia has serious concerns relating to the timing of the review and its ramifications for the ACCC's forthcoming decision on EnergyAustralia's transmission revenue cap for the period 2004-09.

EnergyAustralia notes that there are a number of issues that the current DRP (May 1999) is silent on and EnergyAustralia is pleased that the ACCC is seeking to provide clarity in these areas. However, EnergyAustralia maintains that it would be inappropriate to apply new principles of regulation to a regulatory period that is in progress or the subject of review. Instead, new principles should be applied only to revenue decisions made by the ACCC after changes to the regulatory principles have been resolved.

EnergyAustralia's submission comments on most aspects of the ACCC's Discussion Paper. Where issues are not touched on in the text, comments on specific questions are included at the end of the document. EnergyAustralia includes its roll-forward methodology as Attachment 1. We are also a signatory to the NEEG report on WACC commissioned by the electricity TNSPs, which is being submitted to the ACCC separately.

EnergyAustralia would be happy to engage with ACCC staff on these issues raised in the Discussion Paper and hope an opportunity to do so is forthcoming in the future.

Yours sincerely



(GEORGE MALTABAROW)
General Manager Network