

14 August 2008

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



Dear Mr Buckley

Subject: Draft AER Annual Compliance Guideline

We have reviewed the above document and do not have any material concerns regarding the proposals contained therein, except in relation to the certification requirements pertaining to the annual report.

It is proposed that the Order to be made under section 48(1)(b) of the National Gas Law contain the requirement that:

"Information and documentation provided must be verified by way of a Statutory Declaration by an officer of the covered pipeline service provider or of a related provider to which the Order applies. The AER requires that the officer providing the Statutory Declaration to be a Director of the service provider"

It is Envestra's view that it is not necessary to mandate a Statutory Declaration in the Order. There is ample precedent in company/regulatory reporting that supports the use of endorsement/approval by a Director without the need for a Statutory Declaration. Envestra is concerned over the apparent trend by regulatory bodies to require Statutory Declarations, thereby diminishing the value attributed to statements by Directors where those statements are not made under a Statutory Declaration.

Envestra currently supplies compliance statements and regulatory reports to four regulators – the Essential Services Commission of South Australia, the Independent Pricing and Regulatory Tribunal, the Queensland Competition Authority and the Essential Services Commission of Victoria. None of those regulators have required Statutory Declarations and none of those regulators have expressed to us any concerns relating to the veracity of information supplied, or indeed have expressed any view that leads to the conclusion that that Statutory Declarations would provide any increased level of confidence in the information supplied.

Envestra believes that it would suffice for annual compliance statements to be signed by a Director in accordance with generally accepted practice, ie accompanying statements that provide assurance that the report has been prepared with all due diligence.

Yours sincerely



Ian Little
Managing Director