

Office of the Chief Officer

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MARS/PRISM:



Mr Chris Pattas - General Manager
Network Operations and Development
Australian Energy Regulator (AER)
GPO Box 520
MELBOURNE VIC 3001

Dear Chris

INVITATION FOR WRITTEN SUBMISSIONS – THE AERs PROPOSED F-FACTOR AMOUNT DETERMINATION FOR 2013 FOR VICTORIAN ELECTRICITY DISTRIBUTION NETWORK SERVICES PROVIDED

CFA has reviewed the draft decision and determination provided within the correspondence dated 11 June 2014 and wishes to make the following comments.

It is not appropriate for CFA to make judgements about the adequacy of the “pass through amounts” within proposed f-factor amounts and associated charges.

Whilst CFA supports the initiative that monitors fire starts and provides incentives for reducing these occurrences, CFA would recommend that the current system be modified taking into account the following matters:

- Location of fire starts. Currently land within Victoria may be categorised as either High Bushfire Risk Area (HBRA) or Low Bushfire Risk Area (LBRA), with this information made available to the electrical distribution companies and the Minister for Transport, Planning and Local Infrastructure. CFA recommends that preventative initiatives associated fire starts within HBRA be treated differently to those fires that start in LBRA: to apply greater weighting to performance within HBRA. For instance, a different multiplier within the current f-factor adjustment mechanism.
- Consequences of fire starts. CFA recommends that fire starts be graded based on the consequences experienced, i.e. fire starts with significant impact upon reliability, injury and/or bushfire should have an additional multiplier, compared to those with limited impact.

To progress this matter further I recommend that a round table be held, involving Energy Safe Victoria, the electrical distribution companies, Emergency Management Commissioner and the fire services, chaired by the Australian Energy Regulator to review the current f-factor and recommend improvements to this assessment process.

If you wish to discuss further please contact Andrew Andreou (03) 9262 8403, in the first instance

Yours Sincerely,

Joe Buffone PSM
Acting Chief Officer