



9 September 2011

Mr Chris Pattas
General Manager
Australian Energy Regulator
GPO Box 529
Melbourne VIC 3001

By e-mail: aerinquiry@aer.gov.au

**VICTORIAN ADVANCED METERING INFRASTRUCTURE REVIEW:
2012-15 BUDGET AND CHARGES APPLICATIONS**

Dear Mr Pattas

Origin Energy Retail Limited (Origin) welcomes this opportunity to comment on the Australian Energy Regulator's (the AER's) Draft Determination on the Victorian AMI budget and charges applications submitted by the five Victorian electricity distributors.

We do not intend to make comment on the reductions in proposed operating and capital expenditure set out in the Draft Determination in this response. We do however wish to make specific comment in relation to IT operating expenditure in section A.4 (page 64) of the Draft Determination.

Origin agrees that the revised Cost Recovery Order in Council (CROIC) does not provide scope for expenditure on customer information portals for CitiPower and Powercor. While acknowledging that the AER is guided by the principles established in the CROIC, Origin would make the more general comment that all Victorian distributors should have funding made available to test, with energy retailers, services that will help accelerate and realise benefits for customers, utilising the advanced metering infrastructure deployed.

While the AER will determine if proposed expenditure is within scope under the cost recovery order, Origin observes that distributor investment in services that will enhance customer benefits and encourage retailer participation in delivering these benefits to customers is a Victorian-wide issue. Expenditure on trials for advanced services is not only a matter for specific distributors. Retailers will seek to offer advanced services to customers across the AMI deployed in Victoria, not just within particular networks.

Origin would be pleased to discuss cost recovery issues in relation to advanced services that realise customer benefits with the AER. Please contact me in the first instance.

Yours sincerely

[SIGNED]

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