

Ref.: TP/CP

11 September 2009

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Dear Mr Hall

DRAFT DECISION: PROPOSED AMENDMENTS TO THE ELECTRICITY INDUSTRY CODE REGARDING CUSTOMER CLAIMS FOR GUARANTEED SERVICE LEVEL (GSL) PAYMENTS

Ergon Energy Corporation Limited (Ergon Energy) welcomes the opportunity to respond to the Queensland Competition Authority's (QCA) Draft Decision – Proposed amendments to the Electricity Industry Code regarding customer claims for Guaranteed Service Level (GSL) payments (the Draft Decision).

In our initial response to the QCA's Discussion Paper¹, Ergon Energy was supportive of the QCA's proposed amendments to the Electricity Industry Code (the Code) regarding the GSL claims process. However, Ergon Energy was concerned that no cost-benefit analysis had been undertaken and that a "fast-tracked" consultation was proposed in the Discussion Paper. Ergon Energy notes that as set out in the Draft Decision, the QCA has decided not to "fast-track" the consultation. Further, neither distributor (Ergon Energy or ENERGEX) has provided an estimate of the costs likely to be incurred as a result of the proposed Code amendments. Ergon Energy agrees with the QCA that there are significant benefits to consumers and for this reason do not propose to put forward an estimate of the costs that the business is likely to incur. However, it is important that the QCA recognises that there will be costs incurred.

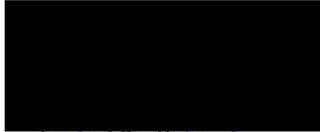
Ergon Energy is cognisant that the proposed Code amendments will result in modifications to IT systems and as such is concerned with the effective date of the revised Code. In the Draft Decision the QCA has not indicated the date from which it expects that the proposed amendments should apply. Ergon Energy supports the position that the commencement of the amendments should align with the amendments resulting from the QCA's Final Decision on MSS and GSL Review². That is, amendments resulting from both consultations should apply from 1 July 2010. This will ensure that the business has sufficient time to prepare any modifications to IT systems that are required.

¹ Discussion Paper – Proposed amendments to the Electricity Industry Code regarding customer claims for Guaranteed Service Level payments, May 2009.

² Review of Electricity Distribution Network Minimum Service Standards and Guaranteed Service Levels to apply in Queensland from 1 July 2010, released on 30 April 2009

Ergon Energy looks forward to providing continued assistance to the QCA in its review of proposed amendments to the Code regarding customer claims for GSL payments.

Yours sincerely



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