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8 February 2019

Dr Peter Boxall AO  
Chair  
Independent Pricing and Regulatory Tribunal  
PO Box K35  
HAYMARKET POST SHOP NSW 1240

Dear Dr Boxall

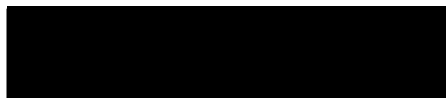
**Re: Consultation on draft ToR for review of NSW distribution reliability standards**

Thank you for the opportunity to comment on the draft terms of reference (ToR) for IPART's upcoming review of the NSW electricity distribution reliability standards. Reliability standards directly impact upon required levels of capital and operating expenditure and therefore overall network charges, so it is important that they are carefully considered.

We have reviewed the draft TOR and overall we consider them to be sound and should allow a review of all relevant aspects to be undertaken. We particularly support the economic assessment approach contained in the draft TOR that requires an assessment of how network costs vary with different levels of reliability and a comparison of those costs against the value that customers place on reliability. We also support the requirement for the review to have regard to published values of customer reliability, including those estimates that are to be published by the AER at the end of 2019.

We look forward to engaging with IPART during its review and to sharing the outcomes of our review into the value of customer reliability. The AER's contact on this matter is Scott Haig and he can be contacted on (02) 6243 1207 or by email [scott.haig@aer.gov.au](mailto:scott.haig@ aer.gov.au).

Yours sincerely



Sebastian Roberts  
General Manager  
Transmission & Gas  
Sent by email on: 08.02.2019