

Ref: CW:JC:A79217

14 April 2009

Dr Michael Keating
Chairman
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office NSW 1230

Dear Dr Keating

Market-based electricity purchase cost allowance – 2009 review

Country Energy welcomes the opportunity to submit a response to the '*Market-based electricity purchase cost allowance – 2009 review, Draft Report*', issued on 12 March 2009.

We reviewed the draft report in relation to the electricity purchase cost allowance for 2009-10 along with the accompanying annual energy cost review report prepared by Frontier Economics.

Country Energy understands that Frontier Economics provided IPART with advice by using its proprietary models – STRIKE and SPARK – and considered the recent development in d-cypha prices which show that the 10 per cent threshold for the electricity purchase cost allowance is forecast to be exceeded.

Country Energy has noted IPART's draft decision and the proposed increase in electricity purchase costs for 2009-10.

If your officers have any questions in relation to this submission, please contact either myself on the numbers below, Natalie Lindsay on 02 6589 8419 or Catherine Waddell on 02 6338 3553.

Yours sincerely



Bill Frewen
Executive General Manager Customer and Corporate Affairs