



July 27, 2005

URF Pricing Principles Discussion Paper
C/O Independent Pricing and Regulatory Tribunal of NSW
PO Box Q290
QVB Post Office
NSW 1230

Dear Sir,

I am writing to provide comment on the Review of Nationally Consistent Pricing Principles.

Derby Products Pty Ltd is long standing and innovative Tasmanian manufacturer of electric storage heaters.

The company is Australia's largest producer of electric off-peak heaters with approximately 90 per cent of the national market.

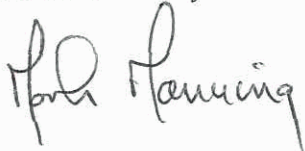
Derby Products' interest in this review lies specifically in maintaining meaningful differentials between off-peak tariff charges and other relevant energy tariffs in the medium to long-term.

Derby Products' endorses the SKM report of November 2003 which found that it was not unreasonable for retailers to off set increases in peak charges with a corresponding decrease in off-peak charges.

In order to maintain continuity in the market place, Derby Products would request that you continue to provide a clear signal to both retailers and the public that there is security in making a capital investment in an off-peak heater.

If you would like to discuss any of the issues outlined in my letter further, please do not hesitate to contact me on telephone (03) 6278 2277.

Yours sincerely,



Mark Manning
Chief Executive
Derby Products Pty Ltd

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