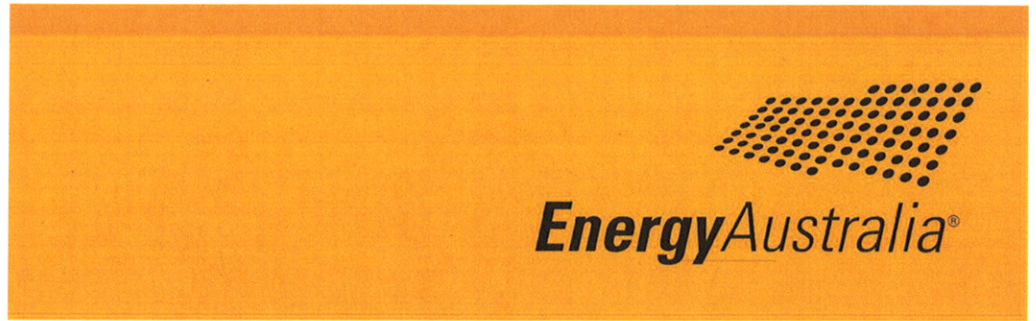


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14 May 2010

Mr James Cox
Acting Chairman and CEO
Independent Pricing & Regulatory Tribunal
PO Box Q290
QVB Post Office NSW 1230

Via email: ipart@ipart.nsw.gov.au

Dear Mr Cox,

EnergyAustralia's Submission on the Draft Report for the Review of regulated retail tariffs and charges for gas 2010 - 2013

EnergyAustralia welcomes the opportunity to comment on IPART's Draft Report for the Review of regulated retail tariffs and charges for gas 2010 – 2013. We are pleased that a number of comments made as part of our submission on the Issues paper have been incorporated into IPART's Draft Report.

EnergyAustralia is supportive of IPART's Draft Report. We agree with the continuation of the current light-handed form of regulation including the use of Voluntary Transitional Pricing Arrangements (VTPA) and a weighted average price cap (WAPC) on the retail component with no additional constraints on individual bills. We agree that a full pass through of network charges is appropriate as they are costs which can not be controlled by the Retailer and they are subject to regulation elsewhere.

EnergyAustralia is pleased to see that as part of the Draft Decision IPART have drafted a Generic VTPA for use by the Standard Retailers. We are supportive of such an approach.

In the event of the Commonwealth Government Carbon Pollution Reduction Scheme (CPRS) or an equivalent scheme being introduced during the regulatory period the costs associated with such a scheme should be able to be passed through to customers as proposed in the generic VTPA. EnergyAustralia considers that the wording of this clause should be made more general so that it can apply to whatever form any equivalent scheme may take, including but not limited to any potential carbon tax.

We note that the timing of submission for the retail gas tariffs is approximately 1 June each year. The timetable for approval of the gas rates is such that they will be approved approximately two weeks after the electricity tariffs may be approved. We believe that the timetables for the two should be more closely aligned so as to not disadvantage second tier gas retailers.

We trust our submission will assist IPART with this price review. If you have any queries regarding this submission please contact Catherine Marshall, Executive Manager – Energy Pricing on (02) 9269 7256.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mike Bailey', with a stylized, cursive script.

MIKE BAILEY
Executive General Manager Retail