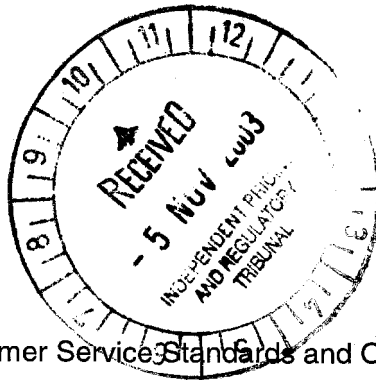


31 October 2003



Review into Guaranteed Customer Service Standards and Operating Statistics
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB POST OFFICE NSW 1230

Dear Sir/Madam

Review of Guaranteed Customer Service Standards and Operating Statistics

I am writing on behalf of ENERGEX Limited (ENERGEX), owner of Allgas Energy Limited (Allgas) and ENERGEX Retail Pty Ltd, regarding the Review of the Guaranteed Customer Service Standards (*GCSS*) and Operating Statistics. The impact of the review on ENERGEX relates only to gas reticulation and gas and electricity retailing and for this reason, I have only addressed these issues.

ENERGEX agrees that the guaranteed customer service standards are important for the setting of minimum standards for energy businesses and properly delivered, can be an effective tool to ensure service quality and performance to energy customers.

GCSS and Operating Statistics

ENERGEX, in general, agrees with the thrust of the recommendations made in the Review for the introduction and removal of GCSS. ENERGEX also agrees with the proposed extension of the current operating statistics obligation for electricity to gas retailing as it ensures consistency amongst energy retailers.

However, ENERGEX hopes the Tribunal will be cognisant of the fact that there are situations where networks traverse State borders and to produce specific operating statistics peculiar to small regions (compared to the whole of the network) may be expensive and sometimes not technically feasible. Such is the case with the gas customers connected to the Allgas network in the Tweed Valley.

ENERGEX suggests the Tribunal take a practical view when collecting statistics and realise that automated systems may not be in place for these small customer segments. For example, the extraction of statistical data relating to ENERGEX Retail's Tweed Valley gas customers will in some cases only be available if manually produced. Such processes are time consuming, costly and the scope for error is increased.



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4.4 Draft recommendations on GCSS payments

As part of the recommendations, the Tribunal has suggested payments for *GCSS* should be automatic to customers rather than payable upon application. The Tribunal notes this may not be possible, at present, and companies should be encouraged to introduce appropriate information systems to assist with an automatic payment.

An automatic system may not be ideal, and ENERGETX is concerned that, as identified by the Tribunal, each guaranteed service standard will carry different importance levels to different customers. Those customers that consider the service standard as significant will claim the payment. Attempting to introduce an automatic system will complicate information systems and make it more onerous for businesses to comply with the standards. It is our view that an automatic system is unlikely to increase the incentive to comply with the standards and the cost of introducing such a system for a small group of customers will exceed any perceived customer benefits.

Should you wish to discuss please telephone Madonna Parker on (07) 3407 4524.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Trevor Lee', written in a cursive style.

Trevor Lee
Group Manager Regulatory Affairs