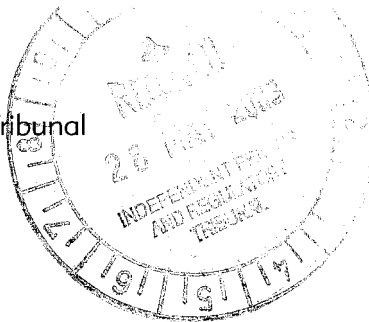




23 May 2003

Ms Emma Kelso
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office NSW 1230



Our Ref: BN008/0286/0019

61 Mary Street
Brisbane QLD 4000
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Brisbane QLD 4002
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Dear Ms Kelso,

REVIEW OF ENERGY GUARANTEED CUSTOMER SERVICE STANDARDS AND OPERATING STATISTICS

We refer to the Issues Paper titled "Review of Guaranteed Customer Service Standards and Operating Statistics" released for comment by the Independent Pricing and Regulatory Tribunal ("IPART") by 23 May 2003. We thank you for the opportunity to provide comment and ask that accept this letter as Ergon Energy Pty Ltd ("Ergon Energy") response to the issues raised.

As a general comment, Ergon Energy is supportive of IPART's review of Guaranteed Customer Service Standards within New South Wales ("NSW") and the intention for Retailers and Distribution Network Service Providers ("DNSPs") or Reticulation Service Providers ("RSP") to deliver optimal standards of service to electricity and gas customers. Ergon Energy believes that when enhancements to the existing Guaranteed Customer Service Standards ("GCSS") and/or the introduction of new GCSS are applied in concurrence with the appropriate targets (and in some instances penalties for non-compliance) the end outcome should be improved standards of service for NSW customers.

However, Ergon Energy would like to take this opportunity to urge IPART to conservatively pursue consistency in the application of GCSS across Market Participants. That is, GCSS should not be rigidly imposed upon all Retailers or all DNSPs or RSPs, under a drive for regulatory harmonisation. Any restrictions beyond the service providers' control which impinge on its ability to achieve the GCSS cost effectively, should not be pursued.

An example of such a restriction would relate to implementing duration of interruptions provisions, similar those applied to United Kingdom DNSPs, which dictate they must pay E50 and £100 to domestic and business customers respectively, if power is not restored within 18 hours. Such provisions would not be appropriate to impose upon Australian DNPS, given the geographically dispersed nature of many of their operations. For instance, should a severe storm cause interruption to a remote coastal community, it may take a significant period of time for the DNSP to gain access to the area and undertake necessary repairs to restore supply. In contrast, a DNSP that primarily services metropolitan or urban communities may be able to resolve the problem with relative ease.

In this respect, we ask that IPART be mindful that common GCSS are not always appropriate and that the cost of imposing some service standards may deliver no net benefit to customers in some areas.

Should you have any queries or wish to discuss the matter further, please do not hesitate to contact me on (07) 3228 8298.

Yours sincerely,

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

Rebecca Myers
Energy Regulation Manager
Strategic Relations