

DEPARTMENT OF FAIR TRADING

NSW Consumer Protection Agency

Dr Thomas Parry Chairman Independent Pricing and Regulatory Tribunal PO Box Q290 QVB Post Office NSW 1230

 Our Ref
 00/11896-4

 Your Ref
 NCR-11

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Dear Dr Parry

I refer to the Review of Initial Metrology Procedures being undertaken by the Tribunal in its role as New South Wales Metrology Co-ordinator.

Thank you for providing the Department of Fair Trading with **an** opportunity to comment on the Review's Draft Report. Please note that in July the Department provided a submission on these issues in response to the Notice of Review of Initial Metrology Procedures. The Department has no additional comments to provide at this time.

I note the statement (Box 2.1) in the Draft Report that IPART believes that the appropriate vehicle for addressing customer service standards in respect of electricity supply in residential parks is the customer service standards document being developed by the Department. A draft has been referred to you. I look forward to receiving your comments on the proposed customer service standards. However, I am concerned that the wording in the Draft Report suggests that the document being developed by the Department has the capacity to address all the electricity quality of supply and pricing issues in residential parks. It will not be within the scope of the document to resolve these issues. A suggested alternative wording for the section of the Draft Report has been developed and is attached for information.

Yours sincerely

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DBO'Connor Director-General 2 GCtober 2002

Box 2.1 Residential parks

A common type of embedded network is a residential park where residents are supplied with electricity by the park owner. Electricity supply in residential parks is contentious because:

- quality of supply in residential parks is often less than for customers that are directly connected to the LNSP's network
- residents pay the same regulated retail tariff as other electricity customers, however, many of the benefits that are available to directly connected customers are not available to residential park residents.

The Tribunal supports action to address these issues. However, reforms that are designed to promote switching among residential park residents are unlikely to address these concerns.

The Tribunal supports moves by the Department of Fair Trading to develop customer service standards for electricity supply in residential parks. Such customer service standards will be a better vehicle to address some of the residents' concerns.