

13 December 2021

Tristan Patterson
Office of the Tasmanian Economic Regulator
GPO Box 770
HOBART TAS 7000

Via email: office@economicregulator.tas.gov.au

Dear Mr Patterson

RE Draft Revised Regulatory Reporting Guideline

TasNetworks welcomes the opportunity to respond to the Office of the Tasmanian Economic Regulator's Draft Revised Regulatory Reporting Guideline (**Guideline**).

TasNetworks is committed to delivering safe, secure and reliable electricity network services to Tasmanian customers at the lowest sustainable prices. As such, TasNetworks is supportive of the proposed revisions to the Guideline that streamline the Regulatory reporting process, resulting in reduced costs for customers.

To reduce potential risks from differing interpretations of the Guideline, TasNetworks would like to make the following observations:

1. 4.5 Matters outside Terms of Reference.

During the review, the Reporter may identify an issue that poses a high risk, but which falls outside the Terms of Reference. In these instances, the Reporter is required to notify the Regulator which will decide, in consultation with the Reporter and licensee, whether to adjust the Terms of Reference to include the identified issue.

There is concern that this will make the review potentially open ended. This will make it difficult for the licensee to both select an appropriately qualified Reporter and to budget for the audit. Noting that the Regulator has the power to require a further audit, TasNetworks would ask that the Regulator seek agreement from the licensee before adjusting the Terms of Reference. It is expected agreement would usually be in the best interests of the licensee. However, there may be situations, as noted above, where being required to change the agreement with the current Reporter may not be the most efficient outcome.

2. 5.1 Methodology

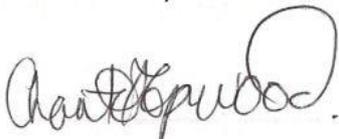
To ensure that reports are comparable over time, where relevant, the methodology employed by the Reporter must, as a minimum:

- *assess the effectiveness of the licensee's responses to previously identified non-compliance or recommended opportunities for improvement by previous Reporters;*

This proposed change has the potential to escalate recommended opportunities for improvement arising from previous audits to requirements on the licensee. In the past, the Regulator has taken reports and then provided requests to report on actions being taken on specific recommendations. Having the next Reporter assess the effectiveness of a licensee's response to these requests would be more aligned to current practice. The alternative would seem to be that a licensee would be required to treat all recommendations from a Review the same as a direct request from the Regulator.

Should you have any questions, please contact Tim Astley, Network Reform and Regulatory Compliance Team Leader, via email (tim.astley@tasnetworks.com.au) or by phone on (03) 6271 6151.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chantal Hopwood', with a large, stylized flourish at the end.

Chantal Hopwood
Regulation Leader