

Mr Glenn Appleyard,
Regulator,
Office of the Tasmanian Economic Regulator,
GPO Box770,
Hobart, Tas 7001

18 January 2014

Dear Mr Appleyard,

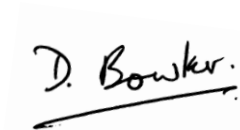
Structure of Licence Fees for the Electricity, gas and water and sewerage sectors

Thank you for the opportunity to comment on the Consultation Paper which you published in December 2013.

Hydro Tasmania supports the allocation methodology which you are proposing. It is good to see the same methodology being used again and the adherence of your approach to the first principle, the one of simplicity. The use of the same methodology gives stability to the fee setting process.

For a different forum, Hydro Tasmania is, of necessity, very conscious of costs. The underlying costs in licence fees are driven by the legislative requirements which OTTER must work under. At the same time we have not seen the full benefits of the national market which has its own range of reporting. We believe there are still opportunities for reducing the reporting requirements within Tasmania by removing duplication and overlapping reports. This approach would reduce costs while still maintaining a safe, reliable system.

Yours sincerely,



David Bowker
Manager Regulatory Affairs