

17 February 2017

Dean Burgess  
The Director  
Office of the Tasmanian Economic Regulator  
GPO Box 770  
HOBART TAS 7001

Dear Mr Burgess

### **Review of Structure of Licence Fees – Consultation Paper**

Thank you for the opportunity to comment on the Consultation Paper and the draft structure of licence fees for the electricity, gas and water and sewerage sectors.

Hydro Tasmania supports the current fixed and variable approach for licence fees and does not support the proposal to move to a fully variable licence fee structure. While a move to fully variable fees may make licence fee calculations simpler, Hydro Tasmania does not believe that moving to a fully variable model would fairly treat all licenced generators. As the Regulator works on issues that affect the whole industry and the industry benefits from the work that the Regulator undertakes, Hydro Tasmania believes that all licensees should contribute some level of fees. A fixed fee for all licenced generators should therefore be maintained to partially cover the budgeted requirements of the Regulator.

Hydro Tasmania supports the proposal that licence holders will be notified by the Regulator early in the calendar year of a licence fee estimate. Having an estimate of licence fees in February would assist Hydro Tasmania to budget for the forthcoming financial year. If possible, Hydro Tasmania would also be interested to receive an estimate from the Regulator of likely costs of any review(s) which are being proposed for the forthcoming year. Again, such an estimate would assist Hydro Tasmania to budget.

Please contact John Cooper ([john.cooper@hydro.com.au](mailto:john.cooper@hydro.com.au) or (03) 6230 5313) if you have any questions or need additional information.

Yours sincerely



John Cooper  
Policy and Regulatory Analyst