

5 May 2014

Mr Glenn Appleyard,
Chairman
Tasmanian Economic Regulator
GPO Box 770,
Hobart, Tas 7001

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

Dear Mr Appleyard,

Draft Electricity Supply Industry Performance and Information Reporting Guideline

Hydro Tasmania welcomes the opportunity to comment on the draft guideline and is supportive of the work which OTTER has done in consolidating the Reporting Guideline. Over time, various changes occur and it is important to streamline processes to fit these changes into an overall framework. We also support the Regulator's approach in aligning its reporting requirements with those of AER. This represents a significant administrative saving to Hydro Tasmania and Momentum as there is no need to manually produce a report for Tasmania that is different from the rest of the NEM states.

We do however have two issues with the guideline.

The first is the way in which the role of the Regulator is characterised. In section 8.1.1 of the guideline it states:

The Regulator is responsible for regulating Hydro Tasmania's wholesale contract activities.

We believe that this is quite misleading as the Regulator's role in this area is to oversee the safety net regulated contract offers made by Hydro Tasmania. For a retailer entering the Tasmanian market, they are able to contract commercially with Hydro Tasmania to meet their risk management objectives but they have safety net contracts to fall back on if they are not satisfied with the offers from Hydro Tasmania. We suggest that the wording of 8.1.1 should be:

The Regulator is responsible for overseeing the safety net contracts offered by Hydro Tasmania.

This may seem like a small issue but we believe that a retailer will find an environment where they can contract commercially with a safety net is much more attractive than a regulated contract environment.

The second issue is that there appears to be an implicit assumption that all this information could be published. It would be useful for the guideline to be explicit in relation to which information may be published.

We are supportive of all the information being available for publication except for the item in 8.1.2 which refers to declined contracts. Our position is that this information should be provided to the Regulator but should not be published. It does not serve any purpose and is likely to be a deterrent to retailers.

If you have any enquiries or wish to discuss the attached, please do not hesitate to contact the undersigned.

Yours sincerely,



David Bowker
Manager Regulatory Affairs