



D01/11827



9 October 2000

Mr Paul Bilyk  
Acting General Manager  
Regulatory Affairs – Electricity  
Australian Competition and Consumer Commission  
PO Box 1199  
Dickson ACT 2602

Dear Mr Bilyk

#### **National Electricity Code - Interim Authorisation**

Thank you for providing a copy of your letter to NECA dated 21 September 2000 advising that the ACCC had granted the Interim Authorisation. Pulse requests that the ACCC consider the following comments in the process of full authorisation of the proposed Code changes.

Conditions 9 and 10 of the Interim Authorisation provide for a review of metering types 5 and 6 (to be completed by 31 December 2003) and for “the provisions relating to metering installation type 6 to end on 31 December 2004” (the “**Sunset Date**”). Condition 10 provides that the review is to consider, among other things, “whether, due to the cost of metering installation type 5, there is a need for metering installation type 6 to continue for particular classes of customers”.

Condition 10 reflects the fact that Condition 9 will have cost implications for industry and customers. Such cost implications will be particularly significant if Condition 9 equates to a requirement to replace all type 6 meters of first tier and second tier customers by the Sunset Date. For instance, the Sunset Date will, in addition to requiring accelerated investment in type 5 meters, reduce the life of a substantial proportion of type 6 meters and the period over which the establishment costs of a profiling solution can be recovered. Such cost implications will ultimately be passed through to customers.

In light of this, Pulse considers it essential that any review of metering installation types 5 and 6 adequately takes account of historical and future metering and

associated costs incurred, or to be incurred, by market participants. Further, and as a corollary, any review should assess whether the date for replacement of type 6 meters permits appropriate sunk cost recovery time frames and should assess the impact of such time frames on customer costs.

Yours faithfully  
Pulse Energy Pty Limited

Patricia Boyce  
Manager, Strategic Business Environment