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Dear Michael

**NECA request for Authorisation of Bidding and Rebidding Code Changes -  
Authorisation numbers A90797, A90798, A90799.**

Origin Energy Electricity Limited (Origin) wishes to raise its concerns in relation to the above code change requests by the National Electricity Code Administrator (NECA) to the Australian Competition and Consumer Commission (ACCC).

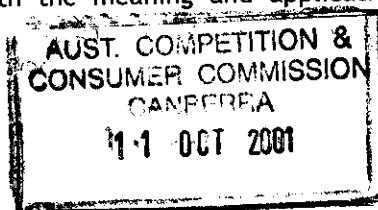
Origin is a fully integrated energy company operating within the National Electricity Market. It is of great importance to Origin that a stable regulatory framework exists within which major investment decisions can be made. Projects underway and recently announced, provide clear evidence in the Australian energy market that such a linkage does exist. However we believe that the intention of NECA not to codify the guidelines referred to in their submission to the Commission will create a less stable investment environment.

Origin intends to present a separate submission to the Commission on the Authorisation requests. However at this time we wish to comment on the implications of not codifying the guidelines. Origin's concern is that it creates a less stable regulatory environment for the Commission to authorise any code changes where it has been clearly stated by the proponents that the guidelines that will drive these changes are both not established and likely to change. This is particularly the case given the nature of the proposed changes and the guidelines in attempting to influence behavioural aspect of the market.

The guidelines and the proposed code changes are inherently interrelated and therefore should be considered by the ACCC as a whole and not independently as proposed by NECA. It is clear that the proposed code changes rely heavily on the guidelines as stated by NECA on page 3 of the code change panel report:

*"The proposed prohibition will be supported by guidelines...."*

The guidelines are critical in interpreting both the meaning and application of the proposed code changes.



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Origins concern about the guidelines not being codified is further heightened on page 5 of the NECA publication of the Draft Guidelines” where it states that:

*“These guidelines may need to be amended in the light of experience.”*

This statement should be a clear signal to the Commission of the need to incorporate the proposed guidelines into the Code and to take account of the guidelines in making any decision.

Of major concern to Origin is that if the guidelines are not codified then it may be possible that they are changed in the future to give an alternative meaning or interpretation to those rules that are codified. Such a possibility in itself may deter investment, competition and clearly result in poorer outcomes for end users.

Origin requests the Commission to seriously consider this request as a means of promoting a stable regulatory framework so as to enhance investment and competition.

If you have any question regarding this submission please do not hesitate to contact the undersigned.

Yours sincerely



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