

7 May 2004

Mr Sebastian Roberts
General Manager
Australian Competition and Consumer Commission
PO Box 1199
DICKSON ACT 2602

Dear Mr Roberts

**APPLICATION FOR DEROGATIONS UNDER CHAPTER 9 OF THE
NATIONAL ELECTRICITY CODE**

TXU Networks welcomes the opportunity to comment on the application for derogations under Chapter 9 of the National Electricity Code. The purpose of the application made on behalf of the Victorian Minister for Energy Industries and Resources is to extend existing derogations that relate to metering arrangements in Victoria. Specifically, the derogations provide that electricity distribution businesses are responsible for the provision, maintenance and installation of all manually read interval meters, basic meters and unmetered supply points.

TXU Networks supports the application to extend the existing derogations until 31 December 2006 and agrees that the public benefit associated with the proposed extension outweighs any public detriment. TXU Networks also agrees that the current metering arrangements are practical, efficient and that distribution businesses are best placed to continue the efficient provision of type 5, type 6 and type 7 metering services.

TXU Networks has been an active participant in the consultation process associated with the Joint Jurisdictional Review of Metrology Procedures. A number of the draft recommendations of the Review involve different arrangements to those that would apply in the absence of the existing derogations. TXU Networks therefore agrees with the Victorian Government's view that the derogations should be extended from the perspective that this would allow for the development of the Review recommendations and remove any requirement to make further code changes should the recommendations be implemented. The extension of the derogations would also ensure that costs are not unnecessarily incurred by stakeholders to implement arrangements that would be changed once the Review is finalised.

TXU Networks also believes that the current metering arrangements are necessary in light of the Essential Services Commission Draft Decision to rollout interval meters to all Victorian electricity customers. The introduction of competition in the provision of the type 5, type 6 and type 7 metering services would impact significantly on the ability to rollout interval meters in the most efficient and cost-effective way.

If you would like to discuss this submission, please contact me on 03 8628 1035.

Yours sincerely

Peter Firth
Regulation Manager