2̣ℓ June 2004

The Hon. Theo Theophanous MP
Minister for Energy Industries and Resources
80 Collins Street
MELBOURNE VIC 3000

Dear Minister

Interim Authorisation of Victorian Full Retail Competition Derogations

On 5 April 2004, the Australian Competition and Consumer Commission (ACCC) received applications for authorisation (Nos A90915, A90916, and A90917) of derogations to Chapter 7 of the National Electricity Code. The applications were made by the National Electricity Code Administrator (NECA) on your behalf, under Part VII of the *Trade Practices Act 1974* (TPA). The stated purpose of the derogations is to extend Victoria's existing derogations to chapter 7 of the National Electricity Code regarding Victoria's metering arrangements.

I also note your letter of 26 April 2004 in which you requested interim authorisation of the applications. On 16 June 2004, the ACCC considered this request and decided, pursuant to section 91(2) of the TPA to grant interim authorisation of these applications. A copy of the ACCC's letter advising NECA of the interim authorisation is enclosed.

As the current derogations expire on 30 June 2004, the ACCC has granted this interim authorisation to provide clarity with respect to metering arrangements, pending further consideration of the applications. The ACCC has not yet formed a view on the competitive impacts of the applications. This aspect will be more fully considered in the ACCC's determination.

This interim authorisation becomes effective from 16 June 2004 and will lapse when the ACCC's final determination in regard to each application comes into force, unless this interim authorisation is revoked before this date. Please note that under subsection 91(2) of the TPA, the ACCC may revoke an interim authorisation at any time.

If you have any queries about any issue raised in this letter, please contact me on (02) 6243 1142.

Yours sincerely

Ed Willett
Commissioner

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