

Mr Sebastian Roberts

General Manager Regulatory Affairs - Electricity  
Australian Competition and Consumer Commission

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Dear Mr Roberts,

Thank you for the opportunity for AGL Retail (comprising AGL's retail businesses) to comment on the proposed amendments to the South Australian and ACT metering derogations and the proposed extension until 31 December 2006.

The South Australian derogations currently make the distributor responsible for metering installation types 5 -7 until 1 July 2005. The ACT derogations currently also make the distributor responsible until 28 February 2006. The application seeks to extend the derogations until 31 December 2006 and to align them with the ACCC's recent final determinations for New South Wales and Victoria. That is, the proposed derogation amendments will ensure that retailers may elect to be responsible for the provision, installation and maintenance of remotely read type 5 meters.

AGL Retail believes that in principle, contestability of metering should ultimately be pursued and, as with FRC, will provide benefits to customers. AGL also supports convergence of regulatory arrangements where possible. AGL has provided comments on the derogations for Victoria and NSW and those comments are generally applicable for the ACT and SA. In particular,

\* Distributors should be accountable as well as responsible for the metering arrangements.

\* Prepayment meters should be considered a new type of meters- and retailers should be responsible, in order to increase competition.

\* During the period of the derogations, further amendments may be desirable if current meter trials suggest new benefits.

AGL Retail notes there are currently some uncertainties regarding the future optimum metering arrangements. AGL Retail is undertaking trials and engaging in industry discussions in order to better determine these arrangements. Under the circumstances, at this time AGL Retail supports aligning the South Australian and ACT derogations with the recent final determinations for NSW and Victoria.

Please contact Robert Petersen, Manager Retail Metering Development if you have any further questions,

Yours sincerely

Sean Kelly  
General Manager Retail Regulation  
AGL Retail Energy