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**Australian
Competition &
Consumer
Commission**

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Our Ref:

C2005/438⁴⁸³

12 May 2005

Mr John Eastham
Director
National Electricity Code Administrator
Level 5, 41 Currie St
Adelaide SA 5001

Dear Mr Eastham

**Draft Determination and Interim Authorisation of South Australian
Metering Full Retail Competition Derogations**

On 22 March 2005, the Australian Competition and Consumer Commission (ACCC) received applications for authorisation (Nos A40103, A40104, and A40105) of derogations to Chapter 7 of the National Electricity Code (code). The applications were made by the National Electricity Code Administrator (NECA) on behalf of the South Australian Government, under Part VII of the *Trade Practices Act 1974* (TPA). The stated purpose of the applications includes extending current jurisdictional derogations in the short term to provide sufficient time for the code changes recommended by the jurisdictional regulators to be pursued through the usual code consultation process.

I also note that South Australia requested interim authorisation of the applications. The ACCC has considered this request and has decided, pursuant to section 91(2) of the TPA to grant interim authorisation of these applications. The interim authorisation becomes effective from 12 May 2005 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.

The ACCC has also made a draft determination on the applications for authorisation. The draft determination outlines the ACCC's proposal to grant authorisation of the derogations. A copy of the draft determination is enclosed.



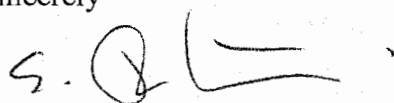
Written submissions on the draft determination are to be received by 10 June 2005. Further, the ACCC invites NECA and other interested parties to notify it by 26 May 2005 as to whether they wish the ACCC to hold a pre-determination conference. If a conference is requested on the draft determination, the ACCC will hold a conference on 3 June in Adelaide at a time and venue to be notified.

The applicant and interested parties who receive a copy of the draft determination, and any other interested parties whose presence the ACCC considers appropriate are entitled to participate in any such conference. Following the conference, the ACCC will take into account issues raised at the conference and any related submissions, and will issue a final determination.

If no pre-determination conference is called, or written submissions received, then the draft determination will form the basis of the final determination. A person dissatisfied with the final determination may apply to the Australian Competition Tribunal for its review.

If you have any queries about any issue raised in this letter, please contact me on (03) 9290 1435 or Owen Seadon on (03) 9290 1445.

Yours sincerely



Sebastian Roberts
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ACCC Electricity

Cc. Mr Gary Goddard
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