

Mr Alistair Butcher
Acting Director, Electricity Access
Economic Regulation authority
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Perth WA 6000

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27th October 2005

FAXED

Dear Alistair,

REVISED PROPOSED CUSTOMER TRANSFER CODE COMMUNICATION RULES AND INVITATION FOR SUBMISSION

Further to my letter of 26th July 2005, copy attached, I regret to advise that Western Power has still not delivered on its undertaking to provide facilities that with a reasonable amount of disruption and cost to the retailer will allow the retailer to continue to operate in the manner traditionally required by Western Power. Of particular concern to us the fact that whereas Western Power has developed a sufficient service that functions in a test environment, that service has not been transferred to a live environment whereby we can properly utilise and test it. We have fully cooperated with Western Power to solve this problem and notified them of our precise operational concerns. However, despite their active attention, the system remains dysfunctional. In particular, we are concerned that the "view messages" facility is dysfunctional. As you will appreciate, this is a fundamental part of the system. Moreover, as a result of the changeover to the current, dysfunctional, system, the previous system has been withdrawn and we no longer have ready access to basic information necessary for us to run our business. As you will appreciate, we need this problem remedied as soon as possible.

We further advise that we are concerned about the introduction of the "Build Pack" innovation so late in the process. We perceive that Western Power has under-resourced the development and implementation of the communication rules and that this initiative is primarily a means of exempting future necessary developments from ERA scrutiny. We prefer that the ERA withhold its approval of the rules until they are fully implemented and operational.

In closing, we wish to acknowledge that we are very appreciative of Western Power's front-line people working on this issue. However, we request the ERA to do everything in its power to cause Western Power to deliver on its undertaking as soon as possible.

Yours sincerely

Steve Gould

DR STEVE GOULD
DIRECTOR

RECEIVED	
Economic Regulation Authority	
FILE No:	1278/05
<input checked="" type="checkbox"/> CHAIRMAN	31 OCT 2005
<input checked="" type="checkbox"/> GM	
<input checked="" type="checkbox"/> IND. ACC.	<input type="checkbox"/> ADMIN
<input checked="" type="checkbox"/> Alistair	<input type="checkbox"/> LMCP
<input checked="" type="checkbox"/> Nereca	<input type="checkbox"/> REF/RES
ACTION:	<i>Math</i>
	<i>Math Robinson</i>

Mr Matt Robinson
Manager Projects – Industry Access
Economic Regulation Authority
Level 6, Governor Stirling Tower
197 St Georges Tce
Perth WA 6000

26th July 2005

Dear Matt,

SUBMISSION ON PROPOSED COMMUNICATION RULES

Thank you for forwarding to Perth Energy for comment the proposed communications rules pursuant to part 5 of the Electricity Industry Customer Transfer code 2004.

Perth Energy was established in 1999 and from a very small beginning amid very restrictive regulations specialised in the provision of renewable electricity to Small to Medium Enterprises to become Western Australia's largest private retailer in terms of customer numbers. We also have considerable experience in the provision of non-renewable electricity to large industrial users and are developing a large gas turbine power station. We currently serve over 250 customer loads and have developed the commensurate operating expertise and business systems. We have also made the largest corporate contribution to the reform process on a per-employee basis.

With regard to the proposed communications rules, we wish to highlight the importance of recognising the potential for building into the rules requirements that would be inequitable and create barriers to entry.

Over the last 5 years Perth Energy has made a significant investment in IT and business systems that have been tailored to Western Power's specific requirements. In particular, these systems include the timely receipt of meter data and its conversion into an invoice. These systems have been thoroughly tested and have proven to be reliable, robust and accurate. Throughout the reform process we have expressed our concerns to Western Power and the reform process facilitators that any requirement for a significant system upgrade in order to simply continue to service our existing customer base would be inequitable given our relatively small size. Moreover, any such requirement would also constitute a barrier to entry in that it would obstruct our ability to take advantage of the opportunities offered by the Wholesale Electricity Market to expand our business.

I am pleased to report to you that Western Power has acknowledged this concern and undertaken to provide facilities that, with a reasonable amount of disruption and cost to the retailer, will allow it to continue to operate in the manner traditionally required by Western Power. That said, because the rules are still in the early stages of implementation, the promised features are not yet available for testing and we have not therefore had the

opportunity to verify that the rules do in fact meet this requirement. Moreover, we note that some aspects of the rules are still incomplete and are subject to finalisation.

We would also take this opportunity to call to your attention that over the last few years there has been strong political support for renewable electricity, with the most recent developments in the current (original) market structure seeking to encourage its provision. This political support continues and there is an expectation that the prospective market will encourage the further provision of renewable electricity. We see the continuation of the traditional systems referred to above to be an important aspect of this support.

We therefore request that the ERA ensures that the final version of the rules do not impose, directly or indirectly, any requirement to significantly upgrade existing retailer systems.

Yours sincerely,

A handwritten signature in black ink that reads "Steve Gould". The signature is written in a cursive, slightly slanted style.

DR STEVE GOULD
DIRECTOR