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21st August 2003

Executive Officer
Utilities Commission
GPO Box 915
DARWIN NT 0801

Re: Network Pricing, 2004 Regulatory Reset

Thank you for your correspondence "Notice to Contestable Customers 2004 Regulatory Reset" dated 16th July 2003.

As a major user of electricity in the Darwin area we are grateful for the opportunity to contribute to this process as follows;

Issue 14 *Should regulated networks in the NT be functionally separated into a transmission and distribution component, with separate network prices reflecting the different services provided?*

This would seem reasonable. In the case of a Contestable customer having transmission lines directly to their site, there would be no "distribution" component in their supply network. A truer and more equitable reflection of the total cost of delivery to their site would be achieved if the transmission and distribution components were considered and charged separately.

Issue 15 *To what extent should network prices in the NT be reflective of the economic cost of the network use and access?*

Where a customer (or its predecessor) has provided, at its own expense, a significant portion of the network to its premises, then there is clearly no basis for charging that customer a capital amortization cost for their use of the network they have provided. This would be so, even if the customer had allowed use of that network for the supply of other customers, even if ownership of that part of the network had later been transferred to Power and Water.



Issue 18 *What changes to network charges and structures are necessary to ensure that customers will benefit from economic opportunities in the provision of energy services that occur during the second regulatory control period?*

To encourage and reward efficient usage of power, generation charges are already divided into peak and off peak. Extension of this principle to Network charges would further encourage and reward efficient usage of the Network.

Also, it is a common and accepted community practice for many businesses and Government departments to allow concessional discounts to charitable and not-for-profit organizations. The application of this principle to Network charges would be consistent with community values and expectations.

Thank you for your assistance in this matter.

Yours faithfully

A handwritten signature in black ink that reads "John L. Cartmill". The signature is written in a cursive style with a large, sweeping initial 'J'.

John Cartmill
CONSULTANT