

...ment would implement a widely
... former defence chief who head
... But the deal has been on hold since
... Cambodian capital Phnom Penh, Sen-

Firms defend power prices

Mathew Duncley

Energy supply industry groups have defended the system that lets companies appeal against pricing regulator decisions. A report to state and federal energy ministers released this week criticised the "limited merits review" process, saying it had handed more than \$3 billion to energy distribution companies without showing any benefit for consumers.

Energy Supply Association of Australia chief executive Matthew Warren said the report did not find that those appeals should have been disallowed and concluded that "in many cases appeals were successful because of errors in regulatory decision-making".

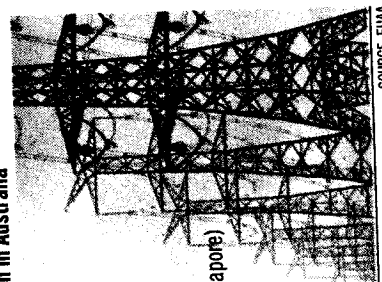
Mr Warren said a robust appeals process was essential to ensure safe, reliable and affordable energy supply.

"There are nearly a million kilometres of poles and wires around Australia supplying power to our homes and busi-

Power up

Owners of energy distribution and transmission in Australia

Energyx	Qld Government
Ergon	Qld Government
Powerlink	Qld Government
Jemena	Singapore Power
SP AusNet	Singapore Power
Basslink	City Spring Infra Trust (Singapore)
TransGrid	NSW Government
Essential	NSW Government
ETSA	Cheung Kong (HK), Spark
United Energy	Singapore Power, DUET



SOURCE: EUMA

charging benefits state governments.

Energy Networks Association principal adviser, economic regulation, Garth Crawford, said it was natural that the system would need some improvement after it was established only four years ago.

"We certainly believe there are improvements that can be made to the regime," he said.

He said it was essential to have a review process for infrastructure pricing systems and most countries had such a system.

It was particularly important in energy infrastructure, he said, where companies "are making 20- or 30-year investments".

Mr Crawford said he believed consumers needed to have a greater voice at the Australian Competition Tribunal, which hears appeals.

That role could potentially be undertaken by a government-funded advocate, he said.

He also said it would be a better system if appeals could have a broader scope.

was peak demand for electricity.

"While overall demand for electricity is flattening out around Australia, the increasing use of energy-hungry appliances such as air-conditioners means we are demanding more and more electricity on just a handful of days a year," he said.

In NSW and Queensland the networks are effectively government-owned, meaning any over-

nesses that need to be maintained and upgraded each year," he said.

"The regulatory scheme for networks seeks to strike a balance between necessary investment and affordability for users."

Mr Warren said that one of the main drivers of increasing network investment, and therefore higher network charges,

DEF

The Que... independent... a comp... the reg... long ter... Office o... Govern... The Aut... as its d... interes... The su... backgr... busine... Applic... For con... inform... Econo... Queen... www