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Dr Pat Walsh
Chairperson
Essential Services Commission of South Australia
GPO Box 2605
ADELAIDE SA 5001

Dear Dr Walsh

**Re: South Australian Jurisdictional Service Standards to apply to ETSA Utilities
in the 2010-2015 Regulatory Period**

I am responding to your invitation for comments on the Commission's draft decision on the above matter.

Service Standard Framework

COTA Seniors Voice notes that ESCOSA will have ongoing responsibility for two of the three elements of the Service Standard Framework for the period in question – being average standards and Guaranteed Service Levels – and the third area, the Service Incentive Scheme, will be undertaken by the Australian Energy Regulator (AER). COTA can see some challenges in this situation that will require careful management. In this environment it will be particularly important that ESCOSA and the AER work very closely together to ensure a seamless and integrated system that ensures a quality service outcome for the people of South Australia. We would be most concerned if the three components, when finalised, serve to work at cross purposes.

Obligations - Best Endeavours

COTA Seniors Voice supports the continuation of the 'best endeavours' obligation as the most sensible arrangement in what is undoubtedly a very complex business. This obligation puts the onus on ETSA to 'act in good faith and use all reasonable efforts, skill and resources' – that is, that ETSA behave as a good corporate citizen and this is sufficiently balanced by a range of monitoring, reporting, and compliance regimes.

Level of Underlying Performance

COTA Seniors Voice understands the rationale for draft decision 4. However, we would also like to support the Commission in its acknowledgement that there are areas in rural/remote South Australia where performance is poorer than might be considered acceptable. South Australians living in these areas would very much like to see the 'more detailed reporting regime' mentioned on page 40 of the report come to fruition and COTA would strongly support this.

Reliability Performance Targets – Regions

COTA Seniors Voice notes the discussion in your draft decision concerning whether geographical regions or the SCONRRR categorisation is the better classification construct. COTA is very strongly of the view that the current regional classification system should be maintained for the 2010-2015 period. This system provides far greater transparency to the South Australian community than would the SCONRRR system. In addition, the regional system allows for a more readily understandable narrative to be told in relation to service reliability in particular areas and makes it possible for remedial activity to be more readily targeted.

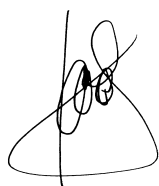
COTA notes that ESCOSA proposes to continue to require ETSA Utilities to report its performance based on SCONRRR classifications, to enable benchmarking with other jurisdictions, and agrees that this is highly desirable.

Guaranteed Service Levels (GSLs)

COTA Seniors Voice notes that payments are made to customers who have received service that is worse than a pre-determined guaranteed level, and these levels are reported in the Commission's draft decision (page 59). COTA also notes that the regulatory period in question extends from 2010 to 2015, some seven years hence, and it is desirable that GSL payments be increased over this period to retain their real economic value and therefore their capacity to continue to promote service quality.

I hope that this submission may be of assistance in finalising your decisions on service standards to apply to ETSA in the 2010 – 2015 regulatory period. Any enquiries in relation to the matters addressed in this submission can be directed to our Senior Policy Officer, Melinda Brindle. Melinda's email is mbrindle@cotasa.org.au.

Yours Sincerely



Ian Yates AM
Chief Executive