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Our ref: 2787290
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Western Power

27 February 2006

Mr Russell Dumas
Chairman, GMCCC
Economic Regulation Authority
Level 6, Governor Stirling Tower
197 St George's Terrace
PERTH WA 6000

Dear Chairman,

Western Power appreciates the opportunity to submit comments to the GMCCC on its Principles Paper for the review of the Gas Marketing Code of Conduct.

The Authority's proposal to undertake a legal review of the Code is strongly supported and considered a necessary step to remove duplication amongst legislative instruments and their associated reporting requirements.

Our support for this initiative would extend to proposing that the GMCCC include within its review the potential for alignment between gas and electricity marketing codes of conduct. By promoting consistency across the developing Western Australian energy market, Western Power believes the GMCCC would lay the foundations for a highly efficient and effective compliance environment that provides the benefits of clear and simple codes for all energy consumers and retailers.

Adopting consistency across the energy market would help reduce impediments for new gas and electricity retail market entry and increase opportunities for consumers to obtain competitive prices for their energy supply.

The Code of Conduct (for the Supply of Electricity to Small Use Customers) came into operation on January 1, 2005. The Code was designed to achieve the same objectives for the electricity market as the Gas Marketing Code of Conduct was for the WA gas market. The Authority is responsible for administering Part 6 of the Electricity Industry Act 2004 which includes a review of the electricity code as soon as practicable after the first anniversary of its commencement.

Western Power believes the opportunity to promote consistency within the WA energy market is available to the Authority at the present time. By proposing mechanisms that would allow the legal review of the gas code to enable consistency with the electricity code, the GMCCC could initiate the development of a comprehensive, best-practice consumer protection and compliance environment for WA's emerging energy market.

We look forward to your consideration of the approach proposed above and welcome the opportunity to engage further with the GMCCC's review program.

Yours sincerely,

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