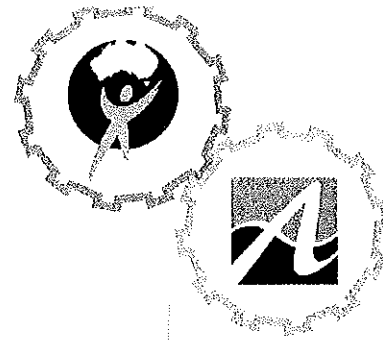


COTA NATIONAL SENIORS



13th December, 2005

Mr. Pat Walsh
Commissioner – ESCoSA
Level 8, 50 Pirie Street
Adelaide SA 5000

AE

Re: Impact to Vulnerable Consumers from Envestra's Proposed Access Arrangement

Dear Commissioner Walsh,

Pat.

Thank you for the opportunity to comment on the Proposed Access Arrangement from Envestra. COTA is the largest consumer organization in South Australia representing 34,000 members. Most of these members survive on a fixed income either as pensioners or self funded retirees and are therefore very vulnerable to any increases in the price of essential services, especially in this instance when the proposed increase will represent a real increase of approximately 8.4%.

COTA SA, is therefore seriously concerned about the impact this increase will have on the aged and vulnerable citizens of South Australia. We believe that the pricing escalations that will result from Envestra's proposed Access Arrangement currently under review, will place many of our constituents under constraint and ask that the Commission take this into account when conducting this review.

We believe that since the gas bill consists of close to 50% in distribution costs, any considerable increase will have both a short and long term impact on those already enduring hardship due to high electricity prices, for essential services.

Of concern are escalations of 8.5% in the first year followed by a further 6% year on year increase in real terms. This will result in a 20% increase over 5 years, from today's pricing levels. This contrasts significantly to interstate consumers who have recently experienced reductions in both electricity and gas transportation, in Victoria and NSW respectively.

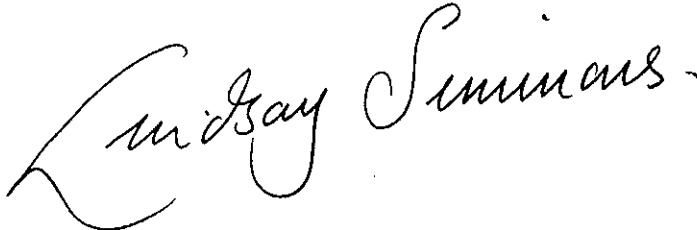
COTA also understand that Envestra have requested Capex increases of 140%, with corresponding increases in Opex of 30%. This is in the light of Envestra having not achieved either its, nor SAIPARR's, targets for reductions in Un-Accounted for Gas

(UFAG), during the last regulatory period. COTA are also concerned about the elements of and higher level of WACC being sought in the coming regulatory period.

It is obvious that factors that impact increases to industrial and business consumers will be passed on at some point to consumers and will therefore impact on households the most, since the percentage impact to their bill is the highest. This impact will further contribute to the landscape of hardship experienced by aged consumers, many of whom require heating for their health and well being's sake, and not just for comfort.

Your attention to these matters of concern during your review is requested and greatly appreciated in advance.

Yours truly,

A handwritten signature in cursive script that reads "Lindsay Simmons". The signature is written in black ink and is positioned below the "Yours truly," text.

Lindsay Simmons
Manager Policy Development