

17 September 2004

Mr Lew W Owens
Chairperson
Essential Services Commission of SA
Level 8, 50 Pirie Street
ADELAIDE SA 5000

Dear Mr Owens

**MONITORING THE DEVELOPMENT OF ENERGY RETAIL COMPETITION IN
SA – DISCUSSION PAPER**

I make the following general responses to the Discussion Paper;

1. I consider that the existing electricity FRC monitoring framework remains an appropriate basis for monitoring the development of the electricity retail market in SA.
2. In view of the close similarities between the gas and electricity retail markets (importantly including retailers active in both markets) I consider that the electricity FRC monitoring framework is an appropriate framework for monitoring the development of gas FRC.
3. I consider that the Commission's initial performance target of the gas retail market is appropriate.

Yours sincerely



Nick Hakof
Energy Industry Ombudsman