

8 October 2010

Mr John Pierce
Chairman
Australian Energy Markets Commission
PO Box A2449
Sydney South
NSW 1235

Dear Mr Pierce

ETSA Utilities submission on proposed Rule for recovery of transmission related charges: ERC0114

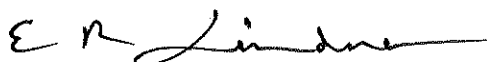
ETSA Utilities welcomes the opportunity to make a submission on the Rule change proposed by United Energy on behalf of the Victorian Distribution Network Service Providers (**DNSPs**) relating to the recovery of transmission-related charges. ETSA Utilities considers that a DNSP should be permitted to pass through to customers any upstream transmission charges and transmission-related costs, including avoided customer TUOS charges.

ETSA Utilities does not support an interpretation of the existing Rules that would preclude distributors from recovering upstream transmission charges and transmission-related costs. However, to avoid any uncertainty as to the interpretation of the existing Rules, ETSA Utilities supports a Rule change that would clarify the pass through of upstream transmission charges and transmission-related costs via the annual pricing proposal process. ETSA Utilities considers that this clarification is also simply a codification of existing regulatory practice.

ETSA Utilities supports the Rule as drafted. ETSA Utilities has been provided with a copy of the Victorian DNSPs' submission in response to the Australian Energy Market Commission's consultation paper, and agrees with and supports this submission.

Should you have any questions please contact myself on (08) 8404 5694.

Yours sincerely



Eric Lindner
General Manager Regulation & Risk