

Ref: JC:JC:C226983

16 October 2006

Dr John Tamblyn
Chairman
Australian Energy Market Commission
PO Box H166
Australia Square NSW 1215

Dear Dr Tamblyn

Obligations of Network Service Providers – Connection Applications

Country Energy would like to thank the Australian Energy Market Commission (AEMC) for the opportunity to comment on the rule change proposal ('the proposal') submitted by Energy Solutions Australia Pty Ltd (ESA).

Country Energy fully supports and recognises the value that a competitive market for contestable services can deliver to market participants. However, Country Energy has concerns with the proposal put forward by ESA for the reasons outlined below. Country Energy also disagrees with ESA's assertion that the proposal is non-controversial, as it has been submitted to the AEMC without prior consultation with affected parties, and would impose costly and inefficient new obligations on Country Energy and all other service providers.

The proposal, if successful, would create duplication in the market, which is an undesirable and unnecessary outcome. To make it compulsory for all network service providers to keep an accurate and up to date list of all available accredited service providers will not strengthen the contestable services regime as claimed by ESA, but will lead to increased costs, inefficiencies and disputes.

The proposal fails to recognise the well established and effective contestable services regime in existence in New South Wales, currently administered and coordinated by the Department of Energy Utilities and Sustainability (DEUS). DEUS is the independent body responsible for compiling and updating a list containing the names, contact details and ratings of all persons that have been accredited by them to provide a range of contestable services within New South Wales.

Country Energy believes that a workable solution is to have one master list that is accurate and updated by a central independent body, similar to the current arrangements in New South Wales. Clause 5.3.3(b)(3) of the National Electricity Rules could then be amended to not only obligate a network service provider to advise a potential customer of whether any services it proposes to provide are contestable, but also where they can find details of other service providers who can provide such services. As an example, Country Energy's website currently provides a link to the DEUS website where the list of accredited service providers operating in New South Wales can be found.

We would be pleased to discuss the matters raised in this submission with the AEMC. If you require further information or clarification in relation to this submission please feel free to contact Jason Cooke on 02 6338 3685 or myself on 02 6589 8419.

Yours sincerely



Natalie Banicevic
General Manager Regulatory Affairs