

2 May 2008

Mr John Tamblyn
Chairman
Australian Energy Market Commission
Level 5, 201 Elizabeth Street
Sydney NSW 2000

By email: submissions@aemc.gov.au

Dear John,

Cost Allocation Arrangements for Transmission Services

Grid Australia welcomes the opportunity to comment on the Rule change proposal submitted by the National Generators' Forum (NGF) in respect of transmission entry and exit charges.

Grid Australia supports the broader objectives described by the NGF in its Rule change proposal and also supports the NGF's conclusion that the grandfathering provisions in clause 11.6.11 are deficient and should be amended. However, the NGF's Rule change proposal for clause 11.6.11 would leave unresolved a number of substantial practical difficulties identified by Grid Australia in its submission.

Grid Australia had planned to prepare its own Rule change proposal to address these substantial practical difficulties, but now considers that these issues could be addressed as part of the current Rule change process initiated by the NGF.

In addition to the outstanding issues arising from clause 11.6.11, Grid Australia has identified some potential concerns with other aspects of the NGF's Rule change proposal. Grid Australia's concerns primarily relate to the detail of the NGF's draft amendments, which in some instances may not be the preferred method of addressing the identified issues.

Grid Australia looks forward to working constructively with the AEMC, the NGF and other stakeholders in the next phases of the Rule change process.

Yours sincerely,



Rainer Korte
Chairman
Regulatory Managers Group