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Dr John Tamblyn
Chairman
Australian Energy Market Commission
PO Box A2449
SYDNEY SOUTH NSW 1255

21 October 2008

Dear Dr Tamblyn

Cost Allocation Arrangements for Transmission Services

The NGF appreciates this opportunity to comment on the Commission's Draft Rule Determination on Cost Allocation Arrangements for Transmission Services, as the proponent of this rule change proposal.

The NGF supports the majority of the determination and draft rule. We anticipate that the outcomes of this rule change will bring greater clarity and certainty for all parties in relation to connection charging arrangements under the National Electricity Rules.

The enclosed submission contains some proposals to clarify and improve the following elements of the rule:

- The application of the grandfathering termination trigger based on the expiry of existing connection agreements;
- Specific drafting suggestions to clarify the form of the rule, consistent with the Commission's stated intent.

Detailed explanations for each of these areas are enclosed, accompanied by a marked-up rule.

The NGF looks forward to continuing to work constructively with the Commission and other interested parties to bring this rule change to a successful conclusion. As the Commission would appreciate, this rule change deals with a highly technical and complex area of the Rules. The NGF would therefore appreciate the opportunity for further engagement on the precise wording of the rule in the light of the drafting issues raised by the NGF and other parties in response to this consultation.

The NGF wishes to acknowledge the detailed input and advice provided by market experts Network Advisory Services (NAS) in developing this submission, and to the legal input provided by Allens Arthur Robinson in relation to the drafting of the Rule.

If you wish to discuss this submission, please call me on (02) 6243 5120.

Yours sincerely

John Boshier
Executive Director