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Australian Energy Market Commission
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Balsa Rejus Pty Ltd as trustee for the
Balsa Rejus Property Trust

Dear Mr Khan

Proposal by the Energy Users Rule Change Committee (ERC 0134)

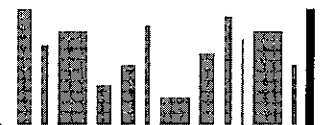
Thank you for the opportunity to comment on the AEMC's Consultation Paper on the Rule Change Proposal submitted the Energy Users Rule Change Committee (RCC). I am writing to you to register Bellala's support for this rule change proposal.

Bellala is a family owned and operated business managing a portfolio of commercial investments in central Hobart. The management team is based in the heart of Bellala's major asset, 188 Collins Street Hobart. In 2008, the first year in the national market the 188 Collins St complex annual electricity spend increased by approximately 30%, with network charges being 28% of the total cost. In July 2010, the network charges had risen to 45% of the total monthly electricity cost. This year Bellala has invested in large capital works to use natural gas as a primary energy source for building climate control, as a means to reduce our annual spend on energy at this site.

Bellala has become increasingly concerned about rising electricity prices. We agree with the finding by the Australian Energy Regulator, the Garnaut Review, the Independent Pricing and Regulatory Tribunal, the Energy Users Association of Australia and others that deficiencies in the design and conduct of economic regulation account for part of these price increases.

We support proposals to change the National Electricity Rules in order to strengthen incentives for efficient operation and investment by the network service providers operating in the National Electricity Market, and also to reduce excessive profits that are produced at the expense of higher electricity prices.

Bellala supports the principle proposed by the RCC that the allowed return on debt should as far as reasonable reflect the actual cost of debt. We agree with the RCC that these issues should be reviewed by the AEMC and prescribed in the National Electricity Rules, rather than left to periodic reviews by the AER.



We have confidence in the integrity of the AEMC's rule change process and commend the RCC's proposal to the AEMC. We will be taking an active interest in this proposal to change the National Electricity Rules and look forward to its transparent and comprehensive assessment against the National Electricity Objective.

Yours Sincerely

Richard Apted
Building Superintendent
Bellala