

04 July 2013

Ms Tara D'Souza
Project Leader
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235



Dear Ms D'Souza

Draft Rule Determination - Changes to Cost Allocation Method ERC0150

Energex welcomes the opportunity to provide comments on the Australian Energy Market Commission's (AEMC) Draft Rule Determination on Changes to the Cost Allocation Method (CAM).

Energex supports the AEMC's Draft Rule Determination opposing a rule change in regards to the CAM and regulation of negotiated services for distribution network service providers (DNSPs). In particular, Energex supports the decision particularly as it relates to the following comments:

- Consultation on changes to the CAM – as mentioned in Energex's submission in response to the AEMC's Consultation Paper, the CAM is prepared in accordance with the Australian Energy Regulator's (AER) cost allocation guidelines. These guidelines are subject to public consultation and Energex believes that additional consultation is not necessary. Energex is of the view that there is no demonstrated benefit from additional consultation as the CAM would be business specific.
- Publication of numeric allocators – Energex wishes to reinforce the point that publishing numeric values in the CAM may jeopardise the commercial viability of non-regulated services. Energex also believes that including numeric allocators in the CAM is an additional regulatory burden where the costs of doing so would outweigh the benefits.

If you have any questions or require further information, please contact Shirley Paxton, Regulatory Determination Analyst on (07) 3664 4912.

Yours sincerely

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