

15 February 2007



Dr John Tamblyn
Australian Energy Market Commission
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SYDNEY SOUTH NSW 1235

10 FEB 2007

submissions@aemc.gov.au

Dear Dr Tamblyn

ENERGEX response to ETNOF Regulatory Test Thresholds Rule Change Proposal

ENERGEX Limited (ENERGEX) welcomes the opportunity to provide comment to the Australian Energy Market Commission (AEMC) on ETNOF's Regulatory Test Thresholds Rule Change Proposal.

ENERGEX understands that the Rule change proposal essentially relates to two changes in regards to Transmission Network Service Providers (TNSPs):

1. augmentation asset thresholds under the Regulatory Test; and
2. information disclosure requirements for network replacements.

Augmentation asset thresholds under the Regulatory Test

ENERGEX supports ETNOF's Rule change proposal that new small transmission network assets be increased from \$1 million to \$5 million and new large transmission network assets be increased from \$10 million to \$35 million.

Since 2001, there have been substantial increases in the input cost of materials used in transmission and distribution assets and in construction labour costs. ENERGENX believes that the asset thresholds need to be increased to reflect more realistic levels.

Information disclosure requirements for network replacements

ENERGEX supports ETNOF's Rule change proposal that transmission network service providers (TNSPs) be required to disclose certain information on all network project (including replacements) in excess of \$5 million in their respective Annual Planning Reports (APR).



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This arrangement would provide market participants with advance notice of large forthcoming network replacement requirements and formalise the voluntary publication of that information by some TNSPs in their 2007 APR.

Please do not hesitate to contact Sarah Connolly – Senior Regulatory Analyst on (07) 3407 4367 should you wish to discuss any aspect of ENERGEX's submission.

Yours sincerely

A handwritten signature in black ink, appearing to read 'L. Dwyer', written in a cursive style.

Louise Dwyer
Group Manager Regulatory Affairs