

24 February 2006

Mr John Tamblyn
Australian Energy Commission
PO Box H166
Australia Square NSW 1215



Email: submissions@aemc.gov.au

Dear Mr Tamblyn

Reform of the Dispute Resolution Process for the Regulatory Test

Ergon Energy Pty Ltd (Ergon Energy) appreciates the opportunity provided by the Australian Energy Market Commission (AEMC) to comment on the proposed Rule change *Reform of the Dispute Resolution Process for the Regulatory Test*. This submission is made by Ergon Energy in its capacity as an electricity retailer in the National Electricity Market (NEM).

Ergon Energy supports the development of a streamlined dispute resolution process for the *regulatory test* as it will assist in facilitating the reliable and secure delivery of lower-costs energy to end-users. Timely and efficient investment in transmission is an issue of particular importance to Ergon Energy given the dispersed nature of our customer base and the unique geographic characteristics of the Queensland network. Ergon Energy believes the Rule proposal will assist in facilitating timely and efficient investment in transmission whilst ensuring aggrieved parties have access to dispute resolution.

However, clause 5.6.6 (qb) may result in perverse outcomes as the AER could withhold its determination until full payment is made. Given that delays concerning reliability augmentation have the potential to impact system security; Ergon Energy believes this clause should be reviewed. The objective of this clause should be to ensure a timely dispute resolution process and an equitable allocation of financial responsibility. That is, the AER should be required to competitively procure expert services whilst the parties to the dispute should settle their respective liabilities within a defined period.

Ergon Energy would welcome the opportunity to discuss this submission in greater detail. If you have any queries, please feel free to contact me on 07 3228 7536.

Yours sincerely

Angela Moody
Manager, Regulation Policy

Telephone: 07 3228 7536
Facsimile: 07 3228 7766
Email: angela.moody@ergon.com.au