



4 July 2013

Mr John Pierce  
Chairman  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Via website: [www.aemc.gov.au](http://www.aemc.gov.au)

Dear John

**Draft Rule Determination – ‘Changes to Cost Allocation Method Rules Change Request (ERC0150)**

SP AusNet appreciates the opportunity to respond to the AEMC Draft Rule determination.

The Commission’s draft determination is to not make a rule in this instance, as it is not satisfied that there is a problem with the rules in the subject area nor that the changes proposed promote the National Electricity Objective”.

SP AusNet supports the draft determination. In our view the deficiencies perceived by the proponent in the Cost Allocation Method (CAM) are actually addressed by other mechanisms within the regulatory framework surrounding the CAM, to provide customers with information enabling effective negotiation and ensure allocation of costs is efficient. The proposed rule changes would only lead to more cumbersome process and higher costs for the AER and NSPs, without delivering offsetting benefits.

In respect of opportunities for consumer engagement on the principles for the CAM, the opportunity for meaningful input exists at the AER guideline level. Network Service Provider CAMs are approved on the basis of consistency with the guideline.

We thank you again for the opportunity to comment.

Yours sincerely,

Kelvin Gebert  
**Manager Regulatory Frameworks**



