

1 October 2010

Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235



positive energy

Project Reference Code – ERC0114

Dear Sir/Madam

ENERGEX welcomes the opportunity to provide comments on the Australian Energy Market Commission's (AEMC) consultation paper on Distribution Network Service Provider (DNSP) Recovery of Transmission-related charges rule change proposal.

ENERGEX supports this proposal which seeks to provide greater certainty around the recovery of transmission services charges, inter-DNSP payments and avoided Transmission Use of System (TUOS) payments. While ENERGEX currently has certainty around the recovery of these costs under the Australian Energy Regulator's *Final Decision, Queensland, Distribution Determination 2010-11 to 2014-15*, this proposal will formalise existing arrangements under the National Electricity Rules (NER) thereby providing certainty for future determinations.

Transmission services charges, inter-DNSP payments and avoided TUOS are costs incurred by DNSPs in the provision of standard control services (SCS). Any transmission services charges regardless of service classification (prescribed, negotiated or non-regulated) incurred in the provision of SCS should be recoverable.

The recovery of these costs from all customers is appropriate and consistent with the revenue and pricing principles which allows for the reasonable opportunity to recover efficient costs incurred in the provision of direct control network services.

Should you have any further questions in relation to this matter, please contact Louise Dwyer Group Manager, Regulatory Affairs on (07) 3223 1782.

Yours sincerely

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Executive General Manager – Strategy and Regulation

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