

28 November 2006

Dr John Tamblyn
Chair
Australian Energy Market Commission
PO Box H166
Australia Square NSW 1215

John
Dear Dr Tamblyn

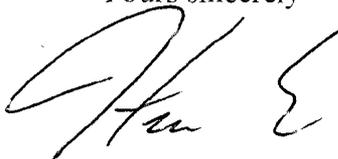
RE: Pricing of Prescribed Transmission Services Draft Rule

The AER welcomes the opportunity to comment on the AEMC's draft National Electricity Amendment (Pricing of Prescribed Transmission Services) Rule 2006 (the Draft Rule).

The AER notes the flexibility provided to TNSPs in the determination of transmission prices as reflected in the Draft Rule and believes this is an appropriate approach to adopt. The AER welcomes the inclusion of clause 11.6.5 which provides transitional arrangements for the 2007 SP AusNet, VENCORP and ElectraNet revenue reset processes.

Thank you for the opportunity to comment on the Draft Rule. We look forward to the release of the Final Rule.

Yours sincerely



Steve Edwell
Chairman