



20 July 2017

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

Lodged electronically: [www.aemc.gov.au](http://www.aemc.gov.au)

Dear Mr Pierce,

**Draft Rule determination — NSW DNSPs Revenue Smoothing**

Origin Energy (Origin) appreciates the opportunity to respond to the Australian Energy Market Commission's (AEMC) draft rule determination on NSW DNSPs revenue smoothing.

Origin supports the aim of the NSW networks rule change request to minimise price volatility that may occur as a result of the ongoing judicial review proceedings. In this regard, we also support the general solution of smoothing the effect of revenue adjustments over two regulatory control periods.

Notwithstanding, Origin considers that the AEMC's more preferable rule to provide the AER with the discretion to determine how any revenue adjustments are made across regulatory periods offers a more effective approach to address this issue. We believe the preferable rule provides the AER with the necessary flexibility to balance the joint objectives of price stability with network revenue preservation in net present value terms. We also believe the preferable rule provides a pragmatic response to dealing with the potential different timing scenarios from the judicial review proceedings.

Origin would be pleased to discuss any matters raised within this response further with the AEMC. Please contact Sean Greenup in the first instance on (07) 3867 0620.

Yours sincerely

A handwritten signature in blue ink that reads "R. Keith Robertson".

Keith Robertson  
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