

Our ref: ERC0016/22304

1 December 2006

Dr Brian Spalding
Chief Operating Officer
NEMMCO
Level 22, Norwich House
6-10 O'Connell Street
Sydney NSW 2000

Dear Brian

Regional boundary decision timing

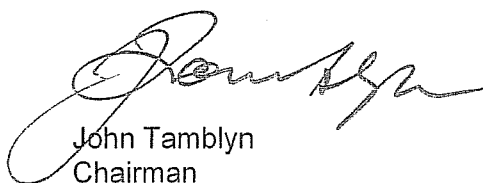
I refer to your letter to the Commission dated 10 November 2006 regarding the timing for a draft Rule determination on the Snowy Hydro and Macquarie Generation proposals to change the boundaries of the Snowy Region. I understand that NEMMCO's December 2006 Settlement Residue Auction is currently scheduled for 15 December 2006, which is the same day as the Commission's current publication date for the Snowy Region boundary draft Rule determinations.

The Commission recognises the importance of this issue and has released an Information Disclosure Statement to inform stakeholders of its intentions regarding the timetable for release of the Snowy Region boundary draft Rule determinations.

The Commission is currently reviewing its overall timetable and work program and expects to release a revised and updated Statement of Approach to the Congestion Management Review and related Rule changes shortly after 5 December 2006. The Commission can confirm at this stage that it will not be issuing any draft Rule determinations in relation to the Snowy Region boundary Rule change proposals on or before the 15 December 2006. As required by the National Electricity Law, the Commission will issue a notice of extension of relevant time periods on completion of its overall timetable and work program review.

If you have any questions on this matter, please contact Tendai Gregan (tel: 02 8296 7823).

Yours sincerely



John Tamblyn
Chairman