

30 April 2010

Dr John Tamblyn
Chairman
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Dr Tamblyn

EMO0001 Draft report into the role of hedging contracts in the existing NEM prudential framework

Integral Energy welcomes the opportunity to comment on the draft report into the role of hedging contracts in the existing NEM prudential framework released by the Commission in March 2010.

Integral Energy is the second largest state owned energy corporation in New South Wales, serving some of Australia's largest and fastest growing regional economies. It provides distribution network services to almost 860,000 customers or 2.1 million people in households and businesses spanning 24,500 kilometres in Greater Western Sydney, the Blue Mountains, the Illawarra and Southern Highlands.

Integral Energy supports the principle that Market Participants should be able to avail themselves of suitable mechanisms for reducing the amount of credit support required to participate in the National Electricity Market (NEM).

Integral Energy endorses the submission put forward by the ERAA on these matters, namely, that the current reallocations arrangements should be continued and that futures offset arrangements should be included subject to their not adversely affecting the creditworthiness of the NEM.

If you have any questions with respect to this matter, please contact Anthony Eglund, Regulatory Policy Manager, on telephone number (02) 9853 6511.

Yours faithfully



Michael Martinson
Manager Network Regulation

Going further for you is what we do