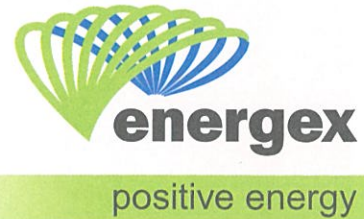


21 December 2016

Mr John Pierce  
Chairman  
Australian Energy Market Commission  
PO Box A2449  
SYDNEY SOUTH NSW 1235



Dear Mr Pierce

**Draft Rule Determination: Retailer Distributor Credit Support Arrangements (ERC0183)**

Energex Limited (Energex) appreciates the opportunity to provide a submission to the Australian Energy Market Commission (AEMC) on its draft determination relating to retailer-distributor credit support arrangements.

Energex supports the AEMC's proposed amendments to the National Electricity Rules (NER) which:

- Retain existing credit support provisions in relation to any credit support that is currently held by a distributor;
- Remove the cost pass-through materiality threshold (currently one per cent of a distributor's annual revenue requirement), where applicable; and
- Confirm that unpaid network charges may be included as part of a distributor's insolvency costs following a retailer insolvency event.

However, Energex notes that clause 6B.B2.1 (b) of the draft national electricity amendment (retailer-distributor credit support requirements) rule 2016 contains a reference to clause 6B.B2.1. For clarity Energex recommends this be amended to reference clause 6B.B2.1 (a).

If you require any further information in regards to this submission, please contact Sarah Luinys, on (07) 3664 5002.

Yours sincerely

Rachel Leaver  
Acting Group Manager Regulation and Pricing

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