

Ref: 379/168/18  
Letter No: MT740

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24 February 2006

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- 1 MAR 2006



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### REFORM OF THE DISPUTE RESOLUTION PROCESS FOR THE REGULATORY TEST

Thank you for the opportunity to comment on the proposed *Reform of the dispute resolution process for the Regulatory Test*. CS Energy broadly agrees with the Ministerial Council on Energy's proposal to streamline and simplify the dispute processes for the Regulatory Test.

CS Energy believes that maintaining the distinction between reliability and non-reliability augmentations is important for the efficient and secure operation of the transmission system and the dispute process. Reliability augmentations relate directly to statutory or license obligations of transmission service providers and any delays pose a risk to system security and reliability of supply to customers. Non-reliability augmentations are proposed to provide market benefits, which can be very complex to assess. It is therefore appropriate that the timescale for disputes about reliability augmentations be kept as short as possible and that sufficient time is allowed for the more complex non-reliability augmentations. In addition, the grounds for disputing a reliability augmentation must be restricted to whether the proposal is in fact a reliability augmentation and whether the augmentation is the least cost alternative. To allow any other grounds for disputing reliability augmentations is inappropriate.

Clause 5.6.6(qb) allows the AER to wait until 7 days after the payment of an invoice relating to costs of a dispute before making its determination. Where the costs are allocated to a party disputing some augmentation, the aggrieved party may choose not to pay the invoice in a timely manner as a deliberate strategy to delay the decision and delay the augmentation. It is not appropriate to withhold a decision impacting the NEM and system reliability as surety for recovering a payment. There are other regular commercial methods for recovering unpaid sums of money that the AER may take advantage of and avoid the uncertainty and market impact of delaying a dispute decision. Clause 5.6.6(qb) should therefore be deleted.

Nothing in this submission is considered confidential.

Yours faithfully

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GENERAL MANAGER OPERATIONS

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