

24 February 2006

Mr John Tamblyn  
Australian Energy Commission  
PO Box H166  
Australia Square NSW 1215



Dear Mr Tamblyn

## **Last Resort Planning Power**

Ergon Energy Pty Ltd (Ergon Energy) appreciates the opportunity provided by the Australian Energy Market Commission (AEMC) to comment on the proposed Rule change *Last Resort Planning Power*. This submission is made by Ergon Energy in its capacity as an electricity retailer in the National Electricity Market (NEM).

Ergon Energy supports the development of regulatory mechanisms that assist in facilitating the reliable and secure delivery of lower-cost energy to end users. Timely and efficient investment in transmission is an issue of particular importance to Ergon Energy given the dispersed nature of our franchise customer base and the unique geographic characteristics of the Queensland network. These investments should be currently delivered under normal market and regulatory arrangements. However, it is acknowledged there may be circumstances where the current regulatory arrangements fail to deliver timely and efficient investment. In such instances Ergon Energy would support the AEMC enacting its Last Resort Planning Power (LRPP).

In regard to clause 5.6.5B(c), Ergon Energy believes the 'directed party' should be a transmission network service provider (TNSP). TNSPs are appropriately equipped to efficiently act on a LRPP direction given their experience in undertaking the regulatory test and access to relevant data. By only engaging TNSPs it should ensure LRPP assessments are conducted efficiently and in a timely manner.

Ergon Energy would welcome the opportunity to discuss our comments with you at your convenience. If you have any queries, please feel free to contact me on 07 3228 7536.

Yours sincerely

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Manager, Regulation Policy

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