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18 February 2008

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

Email: submissions@aemc.gov.au

Dear Dr Tamblyn,

National Electricity Amendment (Regulatory test Thresholds and Information Disclosure on Network Replacements) Rule 2007

The National Generators Forum (NGF) appreciates the opportunity to offer its comments on this Rule change proposal.

The NGF understands the motivation behind this Rule change, and acknowledges the intent of the proposal in establishing realistic thresholds for network investment assessments under the Regulatory Test, and improving transparency. This intent is supported.

In this context, the NGF would like to make the following comments as suggested improvements and enhancements to the proposal:

- While the argument for a higher threshold is understood, an increase from \$10m to \$35m appears large relative to underlying cost movements and the capital budgets of smaller TNSPs. A value closer to the lower end of the range (eg \$25m) may provide greater assurance that all large projects of significance to NEM participants would continue to receive full scrutiny.
- The publication of information on all regulated network projects above \$5m is supported as an important transparency measure. While it is understood that the wording of proposed clause 5.6A.2(b)(6) which captures "...all proposed replacement network projects..." is directed at this end, a reference instead to "...all other network projects..." may remove any ambiguity on this point, and ensure information on all material projects is published (eg refurbishment, relocation, reconfiguration etc).

Please contact me on 02 6243 5120 should you wish to discuss our position further.

Yours sincerely

A handwritten signature in black ink, appearing to read 'JBoshier'. The signature is fluid and cursive, with a large loop at the end of the 'i'.

John Boshier
Executive Director