

ENERGEX considers that the development of regulatory guidelines should occur according to a reasonable sequence that aims for a framework that builds upon the strengths of the existing arrangements and practices, while looking to ameliorate any well known weaknesses, taking into account the policy directions of the MCE.

ENERGEX suggests that a reasonable sequence and timing for the development of regulatory guidelines to achieve such an outcome would be:

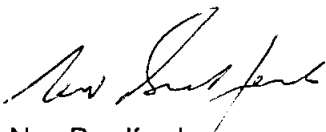
- the development of transmission guidelines after the AEMC has finalised its review of Chapter 6 of the NER; and
- the simultaneous development of distribution guidelines for both gas and electricity distribution after the finalisation of the two MCE regulatory reform processes and once the AEMC has revised the NER and National Gas Rules (NGR).

Accordingly, ENERGEX recommends that the AER's proposed timetable be extended to accommodate these changes.

Further details on ENERGEX's position in relation to regulatory framework issues are outlined in the ENERGEX submission to the MCE's Standing Committee of Officials' "Gilbert & Tobin/NERA Economic Consulting Options Paper on Distribution and Retail Electricity Regulation". ENERGEX will be making further submissions to the AER once detailed regulatory guidelines for energy distribution networks are released.

If you have any further questions regarding ENERGEX's submission please contact James Reynolds on (07) 3407 4354.

Yours sincerely,



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