Our Reference: Your Reference: 98060 / DH : LC

ERC0150

RECEIVED 0 4 APR 2013

28 March 2013

Australian Energy Market Commission PO Box A2449 SYDNEY SOUTH NSW 1235

Dear Sir/Madam

Rule Change Request Project Reference Code: ERC0150

I am writing regarding public consultation on a rule change request from Trans Tasman Energy Group.

The request is to amend Chapter 6 of the National Electricity Rules (NER) in relation to the cost allocation method and also the principles relating to access to negotiated distribution services.

I advise that the LGA supports appropriate rule changes which provide for increased transparency of a Distribution Network Service Provider's (DNSP) costs, cost allocation between service classifications and also within classifications. This will not only assist in any service negotiations (NER Ch 6 Part D), but also potentially in the assessment of individual direct controlled tariffs and ultimately the National Electricity Objective.

Appropriate changes should:

- provide uniformity in the provision of DNSP's costs to the Australian Energy Market Commission (AEMC);
- prevent any cost (e.g. overhead) being applied twice;
- provide any insights in to how specific tariff costs are established;
- enable effective comparison between DNSP's costs;
- enable increased stakeholder engagement; and
- establish more efficient prices.

Yours sincerely

Wendy Campana

Chief Executive Officer

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