



25 January 2011

Ms Karen Olesnicky  
Executive General Manager, Financial and Business Services  
Australian Energy Market Operator Ltd  
GPO Box 2008  
Melbourne VIC 3001

Dear Ms Olesnicky

The National Generators Forum (NGF) appreciates the opportunity to respond to the recommendations set out in the Australian Energy Market Operator's (AEMO's) Draft Determination on the structure of NEM participant fees. Please accept our apologies for submitting this response after the due date; this was due to some NGF members' offices being flooded by the Brisbane River and consequential difficulties working remotely.

As we have not identified any changes to the market framework or Rules since the previous determination that necessitate a change to the allocation of fees, we accept the proposed structure that is similar to the status quo.

The following points summarise our view:

- We accept implementation of the new fee structure for five years as we do not expect any substantive cost changes in that period.
- As costs associated with AEMO's new roles in Transmission Planning and National Smart Metering are services that ultimately benefit consumers, we agree that Market Customers should continue to cover the costs of those services.
- In our response to the original consultation, we surmised that nothing has occurred that warrants a significant change to the attribution of costs. We agree with the minor change to the attribution of costs for Prudential Supervision as the new allocation is more cost-reflective.
- With regard to registration fees, we believe AEMO should treat them as incremental costs. We agree with the approach to charge different classes of generators cost-reflective application fees.
- As we are arguing for no change in the participant fees structure, we see no significant issues for implementation. The proposal to phase in the increase in registration fees over a five year period is a reasonable response to the marked increase identified in the draft determination.

Should you have any questions on this submission, please contact David Scott on (07) 3335 7249.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'M. Roberts', is positioned above the printed name.

Malcolm Roberts  
Executive Director