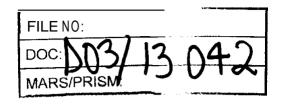


RP

28th March, 2003



Mr Sebastian Roberts
A/g General Manager
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Dear Mr Roberts

## ERARING ENERGY SUBMISSION - REVIEW OF REGULATORYTEST

Eraring Energy refers to the Discussion Paper released by the Commission on 5th February, 2003, on a review of the regulatory test for regulated investment in transmission.

Eraring Energy fully supports the development of an efficient market and this will require the development of additional interconnection between the regions.

Whilst Eraring Energy recognises that, from a generator's point of view, this might have a short-term lowering impact on pool prices, it is in the interests of the efficient development of the National Electricity Market.

Accordingly, it is our view that the impact of transmission on spot market outcomes should be incorporated into the regulatory test.

Yours faithfully

GERRY GROVE-WHITE MANAGING DIRECTOR

GFGrove-White