



# Southern Hydro

20 September 2002

Mr John Martin  
Commissioner  
Australian Competition & Consumer Commission  
PO Box 1199  
Dickson ACT 2602

FILE No:
DOC:
MARS/PRISM

Dear Commissioner,

NECA APPLICATIONS FOR AUTHORISATION: A90797, A90798 & A90799

Southern Hydro (SHP) welcomes this opportunity to comment on the ACCC Draft Determination titled "Changes to bidding and rebidding rules" dated 3 July 2002.

As stated in my response to the ACCC's initial request for comments on the NECA rebidding proposals, I believe rebidding is a competitive and dynamic process that, overall, leads to more efficient market outcomes; however I do recognise that there is a public and political perception that some changes are required. SHP therefore supports the concept that all bids, offers and rebids should be made in good faith, based on the information available to the participant at the time. I also support the ACCC conditions of authorisation relating to the obligations put on NEMMCO by the proposed amendments to Clauses 3.11.3(b) and 4.2.6(b) as appropriate to ensure system reliability is not compromised by any actions by NEMMCO.

SHP strongly believes that much of the debate on this topic is the result of misconceptions and lack of a deep understanding of the dynamics of the electricity market. I therefore fully support the proposed Market Review Forum as a vehicle for vigorous debate and education on this topic.

SHP suggests that, as a pragmatic approach that might hopefully reduce the likelihood of any appeal to the Australian Competition Tribunal, the ACCC removes the other suggestions it made in the conclusions to the Draft Determination from the Final Determination.

If you have any further questions on the issues raised here please contact Mr Rob Jackson, Manager Market Development and Regulation; phone (03) 9616 1011; fax (03) 9616 1029.

Yours sincerely,

Simon Maher  
CEO

