



Australian
Competition &
Consumer
Commission

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25 March 2010

Andrew Christopher & Georgina Foster
Partner
Baker & McKenzie

EMAIL: andrew.christopher@bakernet.com, georgina.foster@bakernet.com

Dear Mr Christopher & Ms Foster

**Authorisation applications A91198 –A91199 lodged by Macquarie Generation,
Delta Electricity and Eraring Energy (Macquarie Generation and Ors)
- draft determination**

The Australian Competition and Consumer Commission (the ACCC) has issued a draft determination in respect of the applications for authorisation lodged by Macquarie Generation and Ors on 27 November 2009.

Draft determination

For the reasons set out in its draft determination, the ACCC proposes to deny authorisation to Macquarie Generation and Ors and the future acquirers of the Gentrader bundles to make and give effect to the proposed co-insurance arrangement.

A copy of the ACCC's draft determination is attached. The ACCC's assessment of the proposed arrangement is set out in Chapter 4.

Next steps

Once the ACCC issues a draft determination, the Applicants or any interested party may request that the ACCC convene a 'pre-decision conference'. A pre-decision conference provides the opportunity for interested parties to make oral submissions in relation to the draft determination. Conferences are conducted informally and while legal or professional advisers are able to attend they are not entitled to participate in the discussion.

If you wish the ACCC to hold a pre-decision conference in relation to the draft determination, you must notify the ACCC in writing by **9 April 2010**.

You are also invited to make a written submission in response to the ACCC's draft determination. Submissions should be lodged by **14 April 2010**.

The ACCC will consider any submissions it receives, including any oral submissions made should a pre-decision conference be called, and will then release a final determination in relation to these applications.

Submissions will be placed on the ACCC's public register subject to any request for exclusion.

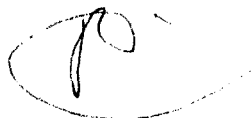
Timetable

The ACCC will continue to progress its assessment of the application in a timely manner. An updated indicative timetable is set out below for your information.

27 November 2010	Lodgement of application and supporting submission.
21 December 2009	Public consultation process begins.
25 March 2010	Draft determination.
9 April 2010	Deadline to request a conference in relation to the draft determination
14 April 2010	Deadline for submissions in relation to the draft determination.
May 2010	Final Determination

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please contact Gavin Jones on (03) 9290 1475 (gavin.jones@acc.gov.au) or Simon Mitchell on (03) 9290 6909 (simon.mitchell@acc.gov.au).

Yours sincerely



Dr Richard Chadwick
General Manager
Adjudication Branch