

D10/3399862
C2009/1944



**Australian
Competition &
Consumer
Commission**

GPO Box 520
Melbourne Vic 3001
Level 35, The Tower
360 Elizabeth Street
Melbourne Vic 3000
tel: (03) 9290 1800
fax: (03) 9663 3699
www.accc.gov.au

Our Ref: C2009/1944
Contact Officer: Simon Mitchell
Contact Phone: 03 9290 6909

26 March 2010

By email

Dear Sir/Madam

**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.

Attached is a summary of the authorisation process including how to make a submission to the ACCC.

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 (guidelines are attached).

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 Simon Mitchell on (03) 9290 6909 (simon.mitchell@accc.gov.au).

Yours sincerely



Gavin Jones
Director
Adjudication Branch

Applications for authorisation A91198 – A91199
Draft determination
Interested Party Consultation 25 March 2010

Interested Parties List

AGL
APA Group
Australian Energy Market Commission (AEMC)
Australian Energy Market Operator (AEMO)
Australian Financial Markets Association
Babcock & Brown Power (BBP)
CHOICE
Consumer Action Law Centre
Consumer Utilities Advocacy Centre
CS Energy
D-cypha
Department of Resources, Energy and Tourism (Cth)
Energex
Energy Australia
Energy Markets Reform Forum
Energy Networks Association (ENA)
Energy One
Energy Users Association of Australia (EUAA)
Envestra
Epic Energy
Ergon Energy
ERM Power
Hydro Tasmania
Independent Regulatory and Pricing Tribunal of NSW (IPART)
Infratil Energy
Institute of Public Affairs
Integral Energy
InterGen
International Power
Jemena
Loy Yang Power
Major Energy Users, Inc
National Generators Forum
Origin Energy
Pacific Hydro
Santos
Seed Advisory
Snowy Hydro
SP AusNet
Stanwell Corporation
Tarong Energy
TRUenergy
Victoria Electricity