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16 December 2016

Mr Jack Fitcher  
Chief Financial Officer  
Australian Energy Market Operator  
GPO Box 2008  
MELBOURNE VIC 3000

Dear Mr Fitcher

### **Structure of Participant Fees in AEMO's Full Retail Competition Market**

Ergon Energy Corporation Limited (Ergon Energy) in its capacity as a Distribution Network Service Provider (DNSP) in Queensland welcomes the opportunity to provide comment to the Australian Energy Market Operator (AEMO) on its *Structure of Participant Fees in AEMO's Full Retail Competition Market – Consultation Paper*.

Ergon Energy is strongly opposed to the broadening of the existing participant fee structure to include DNSPs or Metering Coordinators. As highlighted by AEMO in its consultation paper, if the participant fee were applied to other market participants, the likely impact is that:

- DNSPs would pass the charge through to retailers resulting in the same impact as if AEMO charged retailers directly;
- the approach would increase complexity of AEMO's systems; and
- the approach is not consistent with the simplicity principle and determining the cost allocation for DNSPs would be inexact.

Further, we support AEMO's comments that DNSPs currently provide AEMO with power system security support services, and as such already contribute to AEMO's costs in managing the Full Retail Competition Market. On this basis, our preference is Option 1 which proposes to retain status quo and continue to levy 100% of fees on market customers.

Should you require additional information or wish to discuss any aspect of this submission, please do not hesitate to contact either myself on (07) 3851 6416 or Trudy Fraser on (07) 3851 6787.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jenny Doyle', with a stylized flourish at the end.

Jenny Doyle  
Group Manager Regulatory Affairs

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