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**Under Treasurer** 

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Mr Alan Tregilgas Commissioner Northern Territory Utilities Commission GPO Box 915 DARWIN NT 0801

Alad Dear Mr Tregilgas

RE: NETWORKS PRICING 2009 REGULATORY RESET -- DRAFT DECISION PAPER: PRICE CONTROL MECHANISM

I refer to the Utilities Commission's draft decision on the price control methodology for determining access charges for prescribed electricity networks in the Northern Territory for the period 1 July 2009 to 30 June 2014 (the 2009 Regulatory Reset).

As you would be aware, Northern Territory Treasury is currently developing options for reform of the electricity industry regulatory framework. An underlying objective is to promote greater alignment with the arrangements applying in the National Electricity Market (NEM).

On this basis, Treasury supports the Commission's proposal to follow the procedures used for NEM electricity networks as set out in the National Electricity Law and Rules, to the maximum extent possible under the Territory's Electricity Networks (Third Party Access) Code, pending a final decision by Government on directions for future regulatory reform.

Yours sincerely

JENNIFER PRINCE Under Treasurer

OH April 2008