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## RC\_2010\_01 Annual Review of Margin Values

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### Submitted by

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<b>Date submitted:</b>	30 March 2010

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### Submission

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#### 1. Please provide your views on the proposal, including any objections or suggested revisions

LGP supports the Rule Change on the grounds that the variables influencing the calculation of the margins are volatile and inaccuracies in them have a material impact on the market and Verve Energy. They should therefore be reviewed annually instead of 3-yearly.

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#### 2. Please provide an assessment, whether the change will better facilitate the achievement of the Market Objectives

LGP supports Verve's contention that the rule change supports Market Objective a) (to promote the economically efficient, safe and reliable production and supply of electricity) by making the payment for ancillary services cost reflective. We consider the proposal to be in harmony with the other market objectives

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**3. Please indicate if the proposed change will have any implications for your organisation, (for example changes to your IT or business systems) and any costs involved**

LGP would incur no organisational costs as a consequence of adopting the change.

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**4. Please indicate the time required for your organisation to implement the change, should it be accepted as proposed**

LGP would be able to implement this Rule Change immediately.

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