

14 August 2009

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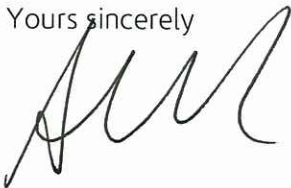
Dear Sirs

### **Shorter NEM Settlement Cycle Discussion Paper**

Simply Energy supports the work being done to identify ways to reduce prudential costs for market participants, and welcomes the opportunity to comment on the MCE Financial Markets Working Group's Shorter NEM Settlement Cycle Discussion Paper.

As was noted in the Discussion Paper, while shortening the NEM settlement cycle would reduce the prudential requirements on retailers, it would result in a corresponding increase in working capital. It would be expected that the cost of financing the increased working capital requirements would exceed the benefits to be gained from the reduced prudential requirements. On this basis, Simply Energy does not support a proposal to shorten the NEM settlement cycle.

Yours sincerely



Amber Fennell  
**Financial Controller**