

Independent Market Operator

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According to the ERA submission, in May 2006 an estimate of \$311,416 for 2006/07 was provided to the IMO to form the basis of the Regulator Fees. In June 2007, the ERA advised the IMO that the actual costs incurred in relation to 2006/07 was \$586,848 and the ERA only sought to recover the difference between the estimated and actual costs for 2006/07, of \$275,432, in 2007/08.

3. WHETHER THE PROPOSAL WILL BE PROGRESSED FURTHER

The IMO has decided to proceed with this proposal on the basis that the IMO's preliminary assessment indicated that the proposal is consistent with the Wholesale Market Objectives.

The ERA proposes that the change be processed using the Fast Track Rule Change Process, on the basis that it satisfies the criteria in section 2.5.9(a) of the Market Rules. The proposed change is a minor rule change that does not seek to amend the intent of the existing rules. It ensures the practical administration of the Regulator Fees, and that the market will not be over- or under-charged for Regulator Fees.

The proposed rule change is urgent as it needs to be in force by 1 June 2008 to facilitate appropriate recovery of costs relating to the ERA's Wholesale Electricity Market functions.

The IMO has decided to process this Rule Change Proposal using the Fast Track Rule Change Process described in section 2.6 of the Market Rules, on the basis that it satisfies the criteria in section 2.5.9(a) of the Market Rules.

Section 2.5.9 states:

The IMO may subject a Rule Change Proposal to the Fast Track Rule Change Process if, in its opinion, the Rule Change Proposal:

- (a) is of a minor or procedural nature; or*
- (b) is required to correct a manifest error; or*
- (c) is urgently required and is essential for the safe, effective and reliable operation of the market or the SWIS.*

As this change includes amending a protected provision, clause 2.24.5, any change resulting from this proposal must be approved by the Minister for Energy after the IMO's Final Report is published.

The projected timelines for processing this proposal are:

- This Rule Change Notice is published 14/03/2008
- Consultation period 14/03/2008 - 8/04/2008
- Final Report published 15/04/2008
- Final Report approved by the Minister 14/05/2008

4. CONSULTATION

Any Rule Participant wishing to be consulted regarding this Rule Change Proposal is invited to notify the IMO within 5 Business Days of this notice being published.

In addition, the IMO would like to receive written input on the proposal from Rule Participants, using the submission form available on the Market Rule Change summary page on the IMO website:

<http://www.imowa.com.au/1011/MarketRulesChangeSummary.html>

The IMO prefers to receive and written submissions by email to **marketadmin@imowa.com.au**.

Notifications may also be made by phone to the IMO on 1300 650 650 or by fax to 08 9411 4776.

. PROPOSED AMENDING RULES

System Management proposes the following amendments to the Market Rules (~~deleted words, added words~~):

Clause 2.24.5

2.24.5 The Economic Regulation Authority may recover a portion of its budget determined by the Minister responsible for the Economic Regulation Authority