

Wholesale Electricity Market
Rule Change Proposal Submission Form

RC_2010_19 Settlement Cycle Timeline

Submitted by

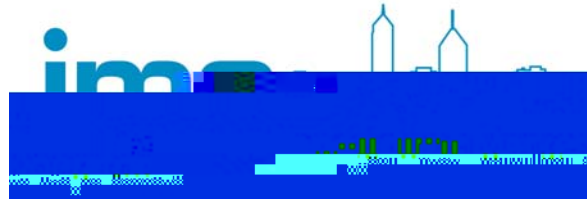
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Submission

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

Background

The Independent Market Operator (IMO) administers settlement of all transactions in both



The IMO has, since Market Commencement, followed the timetable set out in the Market Rules, with the exception that it has not undertaken the final adjustment run in month n+14. The rationale for the IMO's failure to progress the n+14 adjustment is that at Market Commencement it was not practical to undertake such an adjustment and since that time this practice has become entrenched as a standard operating process.

The IMO's analysis suggests that by the time the third settlement adjustment takes place only immaterial adjustments of less than \$100 in total for any Market Participant will result from the adjustment process. This indicates that further significant adjustments are unlikely beyond the third settlement adjustment as metering and other data by this stage are unlikely to change.

Change Proposal

The IMO submitted Rule Change Proposal RC_2010_19 on 25 October 2010 to effect a change to the Market Rules, such that only three settlement adjustments will be required to take place. This will then align Market Rules with the IMO's current standard operating process.

Perth Energy's Views

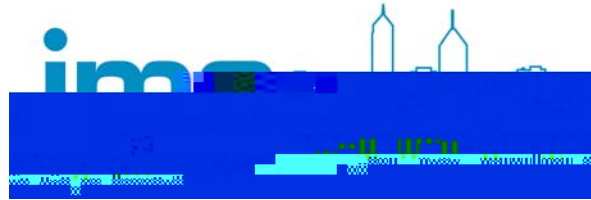
Perth Energy supports the IMO's Rule Change Proposal. The settlement adjustment process should strike a balance between timeliness and accuracy of settlements for the STEM and Non-STEM markets. The current practice of having one initial settlement run for the Non-STEM market followed by three adjustment runs has worked well to date and Perth Energy does not see any need for enforcing a fourth adjustment run as required by the Market Rules as they are currently written.

Perth Energy agrees that the Market Rules should be amended, consistent with Rule Change Proposal RC_2010_19, to align the Market Rules and the current standard operating process with regards to settlement adjustment runs.

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

Perth Energy considers the change would marginally better facilitate the achievement of Market Objective¹ (d) as the requirement for an unnecessary settlement adjustment run would be removed from the Market Rules.

¹ The objectives of the market are:



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 in implementing these changes.

There will be no impact for Perth Energy.

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

Perth Energy does not require any lead time to implement the change.