

8 July 2009

Ms Michelle Croker
Gas Market Development Section
National Energy Market Branch
Department of Resources, Energy and Tourism
GPO Box 1564
Canberra ACT 2601



Dear Ms Croker

Consultation on National Gas (South Australia) (Short Term Trading Market) Amendment Bill 2009

Envestra is pleased to provide comment on the National Gas (South Australia) (Short Term Trading Market) Amendment Bill 2009.

Envestra is concerned about the potential increased exposure to risk in its role as Network Operator with the implementation of the STTM. It seeks to ensure that there is appropriate immunity from any liability arising from the use of the data that it is obliged to provide to AEMO for STTM purposes. We are concerned that these liability and immunity issues are not adequately addressed in the current draft of the Bill.

Specifically our concerns are as follows:

Definition of STTM Information

The current definition does not clearly include data provided to AEMO under the Retail Market Procedures. It defines STTM Information as that provided to AEMO in its capacity as operator of the short term trading market, but it is not clear that this data is in practice received by AEMO in its capacity as retail market operator under the Procedures.

The end of gas day metering data provided by Envestra to AEMO (as Market Operator), and to be subsequently used by AEMO in STTM calculations, is provided under its obligations in the Procedures.

We are concerned that in providing this data, Envestra may not then be covered within the immunity clause at 91FED, which provides immunity to parties providing STTM information to AEMO.

Therefore Envestra seeks a broadening of the definition of STTM Information to include the information provided to AEMO as Market Operator under the Retail Market Procedures, to ensure that the Immunity clause at 91FED is applicable.

Envestra considers this Immunity coverage essential because:

- End of gas day metering data, as currently provided to AEMO under the Retail Market Procedures, will now be used for wholesale market purposes with the implementation of the STTM. Currently, metering data must be provided within 3.5 hours of the end of the gas day (9:30 am SA time). Whilst this deadline will not change under the STTM, there is already limited time to deal with any system or data integrity issues that may arise, and from time to time the metering data must be estimated. Whereas under the current Procedures these estimates can be replaced with actual data as it becomes available. Under the STTM the gas price for the following day will be set based on calculations using the data initially provided.
- Envestra is a data provider to the STTM only, not a market participant at the wholesale level. It is not acceptable that the provider of data should take on greater risk when it is not able to benefit from participating in the wholesale market.

Yours sincerely



Ralph Mignone
Manager Engineering & Technical Regulation