

20 March 2009

Governance Section
National Energy Market Branch
Department of Resources, Energy and Tourism
GPO Box 1564
Canberra ACT 2601

Attention: Mr Steve Rodgers

By email: AEMO_ISC@ret.gov.au

SP AusNet Submission
Exposure Draft of the Retail Gas Market Procedures

SP AusNet welcomes this opportunity to make submission on the Exposure Draft of the Retail Gas Market Procedures.

In general SP AusNet are supportive of the Retail Gas Market (Victoria) Procedures. We consider that the direct transfer of the substantive content of the Gas Market Retail Rules into the national Procedure is a no risk approach to moving the current Victorian retail market processes under the auspices of AEMO.

The current Gas Market Retail Rules, and therefore these Procedures, are the critical reference document for the understanding and management of processes and obligations, including at an operational level within Participant businesses. This is a document which will not be restricted to regulatory/legal staff, but which will be distributed widely within businesses and sit in the reference “libraries” of many middle and low level managers.

However the Procedure as currently drafted is very much a “bare bones” legal document which gets its context and application from the higher level NGR. Whilst this works with respect to the legal structure, we consider that the role of this document at the operational level in ensuring process and obligation understanding and compliance will be greatly enhanced if some additional wording is added to provide some aspects of context and application.

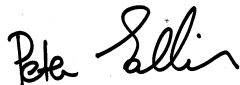
Further this document will come directly under AEMO for change management and control. We are confident that AEMO will adopt a change process which involves industry input into details of change, and consideration and endorsement of revisions. This will hence be very similar to the processes involving joint working groups etc which are currently the basis of both VENCORP and NEMMCO "procedure" change. Providing Procedures which "match" with respect to approach, look, and feel to current VENCORP and NEMMCO Procedures will be important in seamlessly transitioning to the new AEMO arrangements, enhancing the key "business as usual" message of the AEMO establishment, and providing a convergent energy documentation approach.

We consider that some drafting aspects of both the current Gas Market Retail Rules and the electricity MSATS Procedures should be incorporated in the Retail Gas Market Procedures.

The following should be considered for inclusion:

- introduction section which outlines where the Procedure sits in the regulatory documentation structure, where it gets its power, amendment Rules reference, restrictions in application (if any), application to the Non Principle Transmission System networks, enforceability provisions, etc,
- Effective Date statement
- purpose section which outlines the matters covered
- a Version control block

Please contact us should you wish to discuss our submission.



Signed Peter Ellis for Kelvin Gebert
MANAGER REGULATORY STRATEGY & COMPLIANCE

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