

3 March 2008

The Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

To whom it may concern:

Re: NEM Rule Change Proposal – Futures Offset Arrangements for Retailers

Further to our submission regarding the Futures Offset Arrangements for Retailers, Australian Power and Gas wishes to propose an additional amendment to the original submission. This amendment is outlined below.

s 3.15.11B – amended to allow retailer to draw on SDA monies when futures Daily Settlement Price (DSP) sells off, after having contributed excess monies to NEMMCO SDA via an earlier futures price rally. Retailer must always maintain SDA balance equal to the difference between the most recent futures DSP and the Futures Lodgment Price (FLP).

8. Application of monies received by NEMMCO from Futures Offset Arrangements.

NEMMCO will credit the Security Deposit of the *Market Participant* with an amount equivalent to monies received from the Clearing Participant, unless otherwise agreed to by NEMMCO and the Market Participant. Unless otherwise agreed to by NEMMCO, the *Market Participant* must retain an amount (in cash or other approved security) in the Market Participant's Security Deposit of no less than:

$\text{Max} [(DSP_t - \text{FLP}) \times \text{FQ}, 0]$

during the term of the Futures Offset Arrangement until the 4th business day after the end of the associated Futures quarter or until the Futures Offset Arrangement has been terminated in accordance with s 9.

Please feel free to contact me if you wish to discuss further either via email at jmyatt@auspg.com.au or 02 8908 2710.

Sincerely,



James Myatt
Chief Executive Officer