

9 April 2013

Mr Steven Graham  
Chief Executive Officer  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Dear Mr Graham

**Market Operator Service – Timing and eligibility rule change**

Stanwell Corporation Limited (Stanwell) welcomes the opportunity to comment on the Australian Energy Market Commission (AEMC) Draft Determination with respect to the timing and eligibility of the market operator service (MOS) in the short term trading market (STTM). We note that the Draft Determination relates to two components of MOS, namely the MOS period and timing aspects of the MOS offering process, and the eligibility of MOS provision.

Stanwell supports the AEMC's draft decision to create a provision in the National Gas Rules that defines the MOS period, and to reduce the MOS period from three months to one month. We therefore support the AEMC's draft (more preferable) rule with respect to the MOS period. Stanwell notes the AEMC's findings that the proposed changes have the potential to lower barriers to entry for potential MOS service providers in the STTM and increase competition in the MOS market.

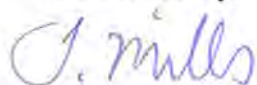
Notwithstanding our support for a reduction in the MOS period, we continue to urge that consideration be given to shortening the period even further to daily, or weekly at the longest. Stanwell considers that daily MOS would further improve the efficiency of MOS pricing and increase competition in the provision of MOS.

In relation to MOS offer processes and associated timeframes, we agree with the Commission that such matters have a less substantive impact on the efficiency of the market and on trading participants. We therefore support the AEMC's draft decision to transfer the MOS offer processes and timings to the Procedures. This amendment has the potential to improve flexibility and reduce the administrative burden for the regulator and participants.

Consistent with our submission to the Consultation Paper, Stanwell strongly supports extending the eligibility criteria on the grounds that such an extension will increase market participation; increase competition and drive an economic price for gas. We therefore support the AEMC's draft decision with respect to MOS eligibility.

If you wish to discuss any of these issues further please do not hesitate to contact me on (07) 3228 4529 or Ms Erin Bledsoe, Manager Regulatory Strategy, on (07) 3228 4529.

Yours sincerely,



**Tanya Mills**  
**Acting Executive General Manager**  
**Energy Trading and Commercial Strategy**