



12 March 2010

Mr Peter Geers
Senior Manager, STTM
Australian Energy Market Operator Ltd

Via email: peter.geers@aemo.com.au

Dear Mr Geers

Re: APIA comment on STTM Study Draft Report

The Australian Pipeline Industry Association (APIA) welcomes the opportunity to comment, on behalf of the transmission representatives on the GMLG, on the draft STTM Study prepared by Larry Ruff of Market Reform for AEMO.

Clearly, this Study is pre-empting the implementation of the STTM and, in identifying STTM-pipeline interactions as a fundamental issue for the success of the STTM, is stepping outside its terms of reference. The Terms of Reference for the Study focussed on issues affecting the implementation of the MCE-agreed design and those issues identified by the Frontier Economics Report.

It is an agreed fundamental principle of the STTM that the sovereignty of pipeline contracts and operations be preserved. The decision has been made by the MCE to support this principle, and pipeline operators have participated in the design process on this basis. It is inappropriate for AEMO, or its consultants, to revisit this issue.

It would be appropriate for Section 1.4. "A Fundamental Issue STTM/Pipeline Interactions" to be removed from the Study before it is presented to SCO.

In order to resolve this issue, we request a teleconference with you, and any other relevant AEMO officer, and the pipeline representatives on the GMLG early next week. I would be happy to arrange this discussion.

Yours sincerely

CHERYL CARTWRIGHT
Chief Executive

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