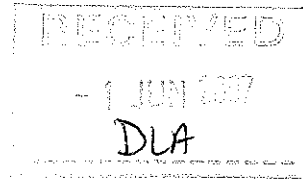


29 May 2007



Ms Dora Guzeleva
Manager Market Administration
Independent Market Operator
PO Box 7096
CLOISTERS SQUARE WA 6850

Dear Dora

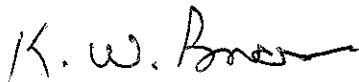
RC 2007- 05

I refer to your letter dated 21 May 2007 seeking System Management's comment regarding RC 2007-05, a rule change concerning the reserve capacity refund shortfall formula.

We understand the prospective rule amendments are to correct an anomaly created by a previous rule change. Therefore System Management has no issue with this modification.

Please contact me on 9427 4248 if I can assist further

Yours sincerely



Ken Brown
General Manager, System Management