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25 September 2007

Dear Dora

WEM Rule Change Proposal RC 2007 07 – Discretion of IMO to decide whether to issue warning

Thank you for the opportunity to provide comments on Rule Change Proposal RC 2007 07 "Discretion of IMO to decide whether to issue warning". This letter sets out the view of Alinta Sales Pty Ltd (Alinta).

The proposed change

On the 11th of June 2007 the Independent Market Operator (IMO) submitted RC 2007 07. The IMO proposed that the IMO be given discretion whether to issue a warning letter once it has completed an investigation into an alleged rule breach leading the IMO to believe a breach has occurred.

Alinta's view

Alinta agrees with the proposed change to the Market Rules and considers the change proposal would better facilitate achievement of objectives (a), (b), and (d) of the Market Rules¹.

¹ The objectives of the Market Rules are contained in Market Rule 1.2.1 and are:

- (a) "to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West Interconnected System"
- (b) "to encourage competition among generators and retailers in the South West Interconnected System, including by facilitating efficient entry of new competitors"
- (c) "to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions"
- (d) "to minimise the long-term cost of electricity supplied to customers from the South West interconnected system"
- (e) "to encourage the taking of measures to manage the amount of electricity used and when it is used"

Alinta's assessment against the objectives of the market

Alinta considers the change proposal has the following impact on the objectives of the market:

Objective	Identified impact
(a)	Alinta considers achievement of this objective will be improved as unnecessary bureaucracy will be avoided, minimising overall costs.
(b)	Alinta considers this objective will be better achieved as unnecessary bureaucracy will be avoided enabling all market participants, both existing and new entrants, to focus on improving their core business and therefore the overall competitive environment.
(c)	Alinta has not identified an impact on this objective.
(d)	Alinta considers that this objective will be marginally better achieved as a consequence of the increased competitive tension identified above.
(e)	Alinta has not identified an impact on this objective.

IT systems and cost implications

Alinta has not identified any significant cost impact for its own IT systems.

Time required for implementation

Alinta will not need any lead time to implement this proposal.

Please call me on 08 6213 7304 to discuss any of the issues raised in this letter in more detail.

Yours sincerely



Kristian Myhre
Manager Market Analytics
Alinta Sales Pty Ltd