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Dear Allan

WEM RULE CHANGE PROPOSAL RC_2008_32 – CALCULATION OF INDIVIDUAL RESERVE CAPACITY REQUIREMENT

Thank you for the opportunity to comment on Rule Change Proposal RC_2008_32 “Calculation of Individual Reserve Capacity Requirement”. This letter sets out the view of Alinta Sales Pty Ltd (Alinta).

The proposed change

On 2 October 2008, the IMO submitted RC_2008_32, proposing to change the Wholesale Electricity Market Rules (“the Market Rules”) relating to the calculation of Individual Reserve Capacity Requirement (IRCR).

The Market Rules determine a Market Customer’s IRCR based on two factors: the contribution of its customer loads to the system peak demands and the size of the Reserve Capacity requirement on the system.

Each month, a Market Customer’s share of the Reserve Capacity requirement is updated to reflect new interval meters that have been connected and are served by the Market Customer. However, the Notional Wholesale Meter, which covers all non-interval and accumulation meters, is updated only annually to take account of changes in the number of accumulation meters.

The disparity in the frequency with which the Notional Wholesale Meter is updated to reflect the addition of new accumulation meters compared with how often other Market Customers’ IRCRs are updated creates a disparity in the treatment of Market Customers.

Alinta’s view

Alinta agrees that the current Market Rules relating to the calculation of IRCR need to be changed.

Electricity supply to residential customers occurs almost exclusively via accumulation meters and by one Market Customer, Synergy. However, under the current Market Rules, Synergy's IRCR is adjusted only on an annual basis to account for growth in the number of accumulation meters.

In contrast, a change in the customer base of other Market Customers, who are able to supply only contestable customers once an interval meter has been installed, is reflected in those Market Customers IRCR on a monthly basis.

Alinta considers that RC_2008_32 is likely to better contribute to the achievement of the wholesale market objectives. Alinta agrees with the IMO's assessment that RC_2008_32:

- supports market objective (b) as it will promote competition by placing Synergy on a level playing field with other retailers by ensuring that new accumulation meters entering the Notional Meter are treated similarly to interval meters in the calculation of IRCR; and
- is consistent with the remaining market objectives.

IT systems and cost implications

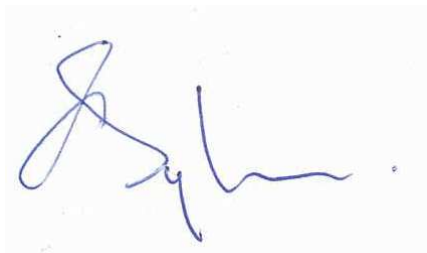
Alinta has not identified any cost impact for its own IT systems.

Time required for implementation

Alinta does not require any specific lead time to allow implementation of the proposal.

If you require further information, or wish to discuss the above comments in more detail, I can be contacted on 9486 3749.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Corey Dykstra".

Corey Dykstra
Manager Regulatory Affairs
Alinta Sales Pty Ltd