



22 December 2009

Executive General Manager - Financial and Business Services
Australian Energy Market Operator (AEMO)
Level 12, 15 William St
Melbourne VIC 3000

By email: sttm@aemo.com.au

Attention: Ms Karen Olesnicky

Dear Karen

CONSULTATION; STTM PARTICIPANT FEE STRUCTURE AND MAJOR GAS PROJECT DETERMINATION

As a large participant in the STTM, Origin Energy appreciates this opportunity to comment on the "STTM Participant Fee Structure and Major Gas Project Determination" Issues Paper.

STTM as a Major Gas Project

AEMO proposes to determine the STTM establishment as a major gas project.

Origin agrees that this is appropriate, given the volume of gas to be traded in the STTM, and the expected impact on AEMO's responsibilities.

Annual Setting of Participant Fees

AEMO proposes to set participant fees annually with a view to reach a break-even position over a 5-year fixed period.

Origin also believes that this approach is preferable since it would have the effect of smoothing annual cost variations.

Fixed and Variable Fees

AEMO proposes to charge each participant a fixed annual fee of around \$10,000 and a variable charge (\$ per GJ) based on withdrawals from the market. Injections to the market would not be considered for the purposes of determining the variable charge.

Again, Origin agrees with AEMO's proposed approach and believes that it provides a balanced and transparent arrangement to recover market charges that are



essentially fixed and to allocate costs to participants in proportion to their exposure to the market.

Please contact me if you would like to discuss any of the issues raised in this submission.

I understand that AEMO proposes to publish submissions to this consultation. Origin gives its permission for AEMO to publish this submission in its entirety.

Yours Sincerely

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