

A few
words.

4 February 2010

Ms Karen Olesnicky
Executive General Manager
Financial and Business Services
Australian Energy Market Operator
15 William Street
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AGL Submission: STTM Fee Structure Draft Determination

Dear Karen,

AGL responds to the consultation paper released on 20 January 2010. We do not have issues with the proposed fee structure. This point was clearly stated in our earlier submission, dated 23 December 2009, to the consultation paper released by AEMO on 18 November 2009. We said then that the fee structure proposed was, on balance, the most appropriate method of cost recovery for AEMO.

We do however wish to record a minor observation about the process. The earlier AEMO paper referred to an estimated annual cost for recovery in 2010/11 of \$5.95m. The Draft Determination refers to an indicative total revenue requirement of \$6.6m. However, there is no explanation given as to the increase of over 10% in the recoverable amount. AGL is of the view that AEMO should have substantiated the grounds for this difference, notwithstanding that both figures are estimates.

Should you have any queries, please contact me on (03) 8633 6239.

Yours sincerely

A handwritten signature in black ink, appearing to read 'G. Foley', written over a white background.

George Foley

Manager Gas Market Development