

29 August 2014

Independent Market Operator
Attn: Group Manager, Development and Capacity
PO Box 7096
Cloisters Square, Perth WA 6850


Re: Development of short term trading mechanism

Dear Sir/Madam,

We refer to the Independent Market Operator's ("IMO") consultation documents published on its website on 18 July 2014 inviting submissions on the need for the development of a wholesale short term trading mechanism ("STTM") in Western Australia ("WA").

We set out below our views on the proposal on behalf of Wesfarmers Kleenheat Gas Pty Ltd (a registered shipper and facility operator), Wesfarmers Gas Limited (a registered shipper) Wesfarmers Energy (Gas Sales) Limited (a registered shipper) and CSBP Ltd (a registered facility operator).

- We currently utilise and are satisfied with existing mechanisms in the WA natural gas market for the short term trading of natural gas. As such, we do not see a compelling requirement or market demand for an additional STTM or trading platform.
- The proposed cost recovery method in which the shortfall between operating costs and transaction fees is recovered through additional GSI fees would unfairly burden those parties who did not wish to use the proposed STTM.
- Should a market need exist for an additional STTM, then we believe the market is best placed to fulfil that need; where suitable through the modification of existing mechanisms.

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- We would recommend that the IMO fully assesses:
 - the needs of the market participants;
 - the merits of developing an additional STTM, and
 - whether existing platforms currently do or can be utilised to satisfy the requirement for a wholesale STTM in WA, rather than incurring and burdening market participants with further costs.

Should you wish to discuss any points raised in this submission further please contact the undersigned at hanseni@wescef.com.au.

Yours sincerely,



Ian Hansen
Divisional Chief Operating Officer
Wesfarmers Chemicals, Energy & Fertilisers