

AUCTION REPORT 2011 QUARTER 4

PREPARED BY: SETTLEMENT RESIDUE COMMITTEE

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1 Introduction

Section 3.18 of the National Electricity Rules (NER) authorises AEMO to conduct Settlement Residue Auctions. Clause 3.18.5 requires AEMO to establish a Settlement Residue Committee (SRC). One function of the SRC is to report on the auctions conducted by AEMO (clause 3.18.5(b)(3)). The purpose of this document is to report on the auctions conducted by AEMO on 15 December 2011 and the distribution of residues for Quarter 4, 2011.

Note that all prices quoted in this report exclude GST.

2 Participation

To be eligible as an Auction Participant, Market Customers, Generators and Traders must enter into an Auction Participation Agreement (APA) with AEMO.

Prior to these auctions, thirty six (37) APA holders were able to bid at the Auctions and sixteen (16) participants lodged bids.¹

3 Auction Conducted

AEMO conducted a single auction covering the twelve quarters on 15 December 2011 as follows:

TRANCHE (YEAR/QUARTER)	PORTION OFFERED THIS AUCTION	PORTION AUCTIONED TO DATE
2012 Quarter 1	14.29%	100.00%
2012 Quarter 2	12.50%	87.50%
2012 Quarter 3	11.11%	77.78%
2012 Quarter 4	10.00%	70.00%
2013 Quarter 1	9.09%	63.64%
2013 Quarter 2	8.33%	58.33%
2013 Quarter 3	8.33%	50.00%
2013 Quarter 4	8.33%	41.67%
2014 Quarter 1	8.33%	33.33%
2014 Quarter 2	8.33%	25.00%
2014 Quarter 3	8.33%	16.67%
2014 Quarter 4	8.33%	8.33%

4 Auction Results

This section of the report details the public results for the auction conducted on 15 December 2011 for the relevant quarters.

Sections 4.1 to 4.12 give the results for each quarters for which auctions have been conducted. Section 4.13 shows the clearing price results for each directional interconnector.

All units offered to date have been sold.

¹ This compares to 36 APA holders and 16 participants who lodged bids at the last auction, and 35 APA holders and 16 participants who lodged bids at the Quarter 4, 2010 auction.

4.1 January – March 2012

The sixth of the seven tranches for this quarter have been completed for all unit categories with 100% of all units auctioned.

Table 4.1 indicates the clearing prices for each tranche for each directional interconnector.

Table 4.1 – Auction Results – January to March 2012 (Q1)

CLEARING PRICE (PER UNIT)	NSWQLD	QLDNSW	SAVIC	VICSA	NSWVIC	VICNSW	TOTAL
T1 Clearing Price	\$3,921.00	\$7,250.00	\$3,500.00	\$14,530.00	\$7,014.80	\$6,809.70	
T2 Clearing Price	\$3,330.00	\$8,023.00	\$2,873.00	\$16,200.00	\$6,702.00	\$8,000.04	
T3 Clearing Price	\$2,780.00	\$8,502.45	\$3,015.00	\$17,505.00	\$6,500.45	\$6,923.00	
T4 Clearing Price	\$2,311.00	\$8,465.00	\$4,013.00	\$18,450.00	\$3,700.00	\$7,500.77	
T5 Clearing Price	\$2,311.00	\$8,250.00	\$4,185.00	\$18,995.00	\$3,800.00	\$8,100.08	
T6 Clearing Price	\$2,429.00	\$8,303.00	\$4,355.00	\$22,325.00	\$4,514.00	\$7,500.00	
T7 Clearing Price	\$1,600.00	\$8,810.00	\$4,555.00	\$18,837.37	\$4,922.00	\$7,000.00	
Weighted Average Clearing Price of units auctioned	\$2,661.08	\$8,230.52	\$3,787.07	\$18,120.34	\$5,306.12	\$7,404.26	
Units Available	550	1,200	400	700	1,300	1,500	
Units Sold	550	1200	400	700	1300	1,500	
Purchase Payments	\$1,463,596.00	\$9,876,619.95	\$1,514,827.00	\$12,684,237.00	\$6,897,961.25	\$11,106,388.26	\$43,543,629.46

4.2 April – June 2012

The sixth of the eight tranches for this quarter have been completed for all unit categories with 87.50% of all units auctioned.

Table 4.2 indicates the clearing prices for each tranche for each directional interconnector.

Table 4.2 – Auction Results – April to June 2012 (Q2)

CLEARING PRICE (PER UNIT)	NSWQLD	QLDNSW	SAVIC	VICSA	NSWVIC	VICNSW	TOTAL
T1 Clearing Price	\$650.00	\$6,760.38	\$2,550.00	\$800.00	\$1,115.95	\$4,036.70	
T2 Clearing Price	\$401.00	\$10,100.00	\$3,000.00	\$987.00	\$984.00	\$4,000.00	
T3 Clearing Price	\$350.46	\$8,500.00	\$3,315.00	\$924.00	\$800.34	\$4,000.00	
T4 Clearing Price	\$226.00	\$6,750.00	\$3,904.15	\$650.00	\$643.00	\$3,026.00	
T5 Clearing Price	\$250.00	\$7,100.00	\$4,185.00	\$850.00	\$626.00	\$3,521.00	
T6 Clearing Price	\$275.85	\$7,506.47	\$4,567.00	\$1,305.63	\$650.71	\$3,100.00	
T7 Clearing Price	\$226.00	\$7,399.00	\$4,752.00	\$1,100.00	\$500.07	\$2,904.52	
T8 Clearing Price	To be auctioned						
Weighted Average Clearing Price of unites auctioned	\$339.90	\$7,730.84	\$3,753.31	\$945.23	\$760.01	\$3,512.60	
Units Available	550	1,200	400	700	1,300	1,500	
Units Sold	476	1050	350	609	1134	1309	
Purchase Payments	\$161,793.08	\$8,117,377.50	\$1,313,657.50	\$575,646.81	\$861,851.34	\$4,597,997.14	\$15,628,323.37

4.3 July – September 2012

The sixth of the nine tranches for this quarter have been completed for all unit categories with 77.78% of all units auctioned.

Table 4.3 indicates the clearing prices for each tranche for each directional interconnector.

Table 4.3 – Auction Results – July to September 2012 (Q3)

CLEARING PRICE (PER UNIT)	NSWQLD	QLDNSW	SAVIC	VICSA	NSWVIC	VICNSW	TOTAL
T1 Clearing Price	\$700.00	\$7,000.00	\$2,251.00	\$650.00	\$884.70	\$4,003.90	
T2 Clearing Price	\$400.04	\$10,100.00	\$3,000.00	\$954.00	\$751.25	\$4,500.07	
T3 Clearing Price	\$300.00	\$9,250.00	\$3,451.00	\$876.00	\$601.42	\$4,726.00	
T4 Clearing Price	\$205.00	\$8,008.88	\$3,885.00	\$700.00	\$400.58	\$3,801.00	
T5 Clearing Price	\$200.04	\$8,000.00	\$4,050.00	\$886.00	\$750.00	\$4,003.52	
T6 Clearing Price	\$250.00	\$8,720.00	\$4,555.00	\$1,450.52	\$800.00	\$3,809.10	
T7 Clearing Price	\$250.00	\$8,659.00	\$4,752.00	\$1,131.31	\$753.08	\$3,902.00	
T8 Clearing Price	To be auctioned						
T9 Clearing Price	To be auctioned						
Weighted Average Clearing Price of units auctioned	\$329.30	\$8,533.98	\$3,706.29	\$949.69	\$705.86	\$4,106.51	
Units Available	550	1,200	400	700	1,300	1,500	
Units Sold	427	931	308	539	1008	1162	
Purchase Payments	\$140,609.88	\$7,945,138.04	\$1,141,536.00	\$511,882.91	\$711,508.32	\$4,771,767.94	\$15,222,443.09

4.4 October – December 2012

The sixth of the ten tranches for this quarter have been completed for all unit categories with 70% of all units auctioned.

Table 4.4 indicates the clearing prices for each tranche for each directional interconnector.

Table 4.4 – Auction Results – October to December 2012 (Q4)

CLEARING PRICE (PER UNIT)	NSWQLD	QLDNSW	SAVIC	VICSA	NSWVIC	VICNSW	TOTAL
T1 Clearing Price	\$1,800.00	\$7,500.00	\$2,251.00	\$11,563.40	\$1,851.00	\$5,417.00	
T2 Clearing Price	\$1,521.00	\$8,323.00	\$3,000.00	\$10,456.00	\$1,601.90	\$6,201.50	
T3 Clearing Price	\$1,426.00	\$8,401.50	\$3,300.00	\$9,876.00	\$1,250.00	\$6,501.47	
T4 Clearing Price	\$1,205.04	\$8,501.58	\$3,685.00	\$6,985.00	\$1,000.00	\$6,326.00	
T5 Clearing Price	\$1,203.00	\$8,702.00	\$3,685.00	\$9,100.00	\$1,100.00	\$6,206.50	
T6 Clearing Price	\$1,203.00	\$8,012.00	\$3,700.00	\$9,400.00	\$1,155.00	\$5,109.52	
T7 Clearing Price	\$1,250.00	\$8,100.00	\$3,825.00	\$9,002.00	\$1,010.00	\$5,262.00	
T8 Clearing Price	To be auctioned						
T9 Clearing Price	To be auctioned						
T10 Clearing Price	To be auctioned						
Weighted Average Clearing Price of units auctioned	\$1,372.58	\$8,220.01	\$3,349.43	\$8,711.77	\$1,281.13	\$5,860.57	
Units Available	550	1,200	400	700	1,300	1,500	
Units Sold	440	960	320	560	1040	1200	
Purchase Payments	\$528,442.20	\$6,904,809.60	\$937,840.00	\$4,268,768.00	\$1,165,827.00	\$6,153,598.50	\$19,959,285.30

4.5 January – March 2013

The sixth of the eleven tranches for this quarter have been completed for all unit categories with 63.64% of all units auctioned.

Table 4.5 indicates the clearing prices for each tranche for each directional interconnector.

Table 4.5 – Auction Results – January to March 2013 (Q1)

CLEARING PRICE (PER UNIT)	NSWQLD	QLDNSW	SAVIC	VICSA	NSWVIC	VICNSW	TOTAL
T1 Clearing Price	\$3,525.97	\$8,500.00	\$2,999.00	\$13,077.00	\$7,506.80	\$6,010.00	
T2 Clearing Price	\$3,750.00	\$10,100.00	\$3,490.00	\$13,807.00	\$7,321.00	\$7,957.96	
T3 Clearing Price	\$2,976.00	\$8,742.00	\$3,526.00	\$15,505.00	\$6,720.00	\$7,300.00	
T4 Clearing Price	\$2,608.00	\$8,909.00	\$3,670.00	\$15,004.00	\$5,003.04	\$7,085.00	
T5 Clearing Price	\$2,111.00	\$9,000.00	\$3,850.00	\$18,000.09	\$5,002.07	\$7,000.00	
T6 Clearing Price	\$2,200.00	\$8,822.00	\$4,000.00	\$19,706.52	\$4,607.08	\$6,777.00	
T7 Clearing Price	\$2,001.00	\$8,699.00	\$4,150.00	\$17,782.00	\$4,411.96	\$6,750.00	
T8 Clearing Price	To be auctioned						
T9 Clearing Price	To be auctioned						
T10 Clearing Price	To be auctioned						
T11 Clearing Price	To be auctioned						
Weighted Average Clearing Price of units auctioned	\$2,738.85	\$8,967.43	\$3,669.29	\$16,125.94	\$5,795.99	\$6,982.85	
Units Available	550	1,200	400	700	1,300	1,500	
Units Sold	350	763	252	441	826	952	
Purchase Payments	\$958,598.50	\$6,842,148.00	\$924,660.00	\$7,111,541.43	\$4,787,490.10	\$6,647,674.56	\$27,272,112.59

4.6 April – June 2013

The sixth of the twelve tranches for this quarter have been completed for all unit categories with 58.33% of all units auctioned.

Table 4.6 indicates the clearing prices for each tranche for each directional interconnector.

Table 4.6 – Auction Results – April to June 2013 (Q2)

CLEARING PRICE (PER UNIT)	NSWQLD	QLDNSW	SAVIC	VICSA	NSWVIC	VICNSW	TOTAL
T1 Clearing Price	\$750.00	\$7,000.90	\$2,750.00	\$800.00	\$1,125.00	\$4,014.41	
T2 Clearing Price	\$426.00	\$8,121.00	\$3,000.00	\$1,200.00	\$1,026.00	\$4,117.43	
T3 Clearing Price	\$301.00	\$8,341.00	\$3,300.00	\$1,010.51	\$807.00	\$4,158.85	
T4 Clearing Price	\$275.15	\$6,500.00	\$3,685.00	\$650.00	\$626.00	\$3,521.00	
T5 Clearing Price	\$250.04	\$7,503.00	\$3,990.00	\$1,002.00	\$850.00	\$3,204.21	
T6 Clearing Price	\$301.00	\$7,583.00	\$4,150.00	\$1,078.40	\$801.00	\$3,102.00	
T7 Clearing Price	\$300.00	\$7,254.00	\$4,500.00	\$1,099.89	\$800.63	\$3,142.00	
T8 Clearing Price	To be auctioned						
T9 Clearing Price	To be auctioned						
T10 Clearing Price	To be auctioned						
T11 Clearing Price	To be auctioned						
T12 Clearing Price	To be auctioned						
Weighted Average Clearing Price of units auctioned	\$371.88	\$7,471.84	\$3,625.00	\$977.26	\$862.23	\$3,608.56	
Units Available	550	1,200	400	700	1,300	1,500	
Units Sold	315	700	231	406	756	875	
Purchase Payments	\$117,143.55	\$5,230,290.00	\$837,375.00	\$396,766.40	\$651,848.04	\$3,157,487.50	\$10,390,910.49

4.7 July – September 2013

The fifth of the twelve tranches for this quarter have been completed for all unit categories with 50% of all units auctioned

Table 4.7 indicates the clearing prices for each tranche for each directional interconnector.

Table 4.7 – Auction Results – July to September 2013 (Q3)

CLEARING PRICE (PER UNIT)	NSWQLD	QLDNSW	SAVIC	VICSA	NSWVIC	VICNSW	TOTAL
T1 Clearing Price	\$500.00	\$9,504.12	\$3,000.00	\$908.60	\$926.00	\$4,500.07	
T2 Clearing Price	\$401.45	\$9,500.00	\$3,300.00	\$912.12	\$625.00	\$4,660.29	
T3 Clearing Price	\$276.00	\$9,206.06	\$3,685.00	\$650.00	\$526.00	\$4,164.00	
T4 Clearing Price	\$226.00	\$7,800.00	\$3,885.00	\$1,037.00	\$825.00	\$3,801.45	
T5 Clearing Price	\$412.00	\$7,916.00	\$4,150.00	\$1,050.00	\$808.52	\$3,026.00	
T6 Clearing Price	\$300.00	\$8,407.72	\$4,500.00	\$1,100.00	\$699.00	\$3,108.63	
T7 Clearing Price	To be auctioned						
T8 Clearing Price	To be auctioned						
T9 Clearing Price	To be auctioned						
T10 Clearing Price	To be auctioned						
T11 Clearing Price	To be auctioned						
T12 Clearing Price	To be auctioned						
Weighted Average Clearing Price of units auctioned	\$352.58	\$8,722.32	\$3,753.33	\$942.95	\$734.92	\$3,876.74	
Units Available	550	1,200	400	700	1,300	1,500	
Units Sold	270	600	198	348	648	750	
Purchase Payments	\$95,195.25	\$5,233,390.00	\$743,160.00	\$328,147.76	\$476,228.16	\$2,907,555.00	\$9,783,676.17

4.8 October – December 2013

The fourth of the twelve tranches for this quarter have been completed for all unit categories with 41.67% of all units auctioned.

Table 4.8 indicates the clearing prices for each tranche for each directional interconnector.

Table 4.8 – Auction Results – October to December 2013 (Q4)

CLEARING PRICE (PER UNIT)	NSWQLD	QLDNSW	SAVIC	VICSA	NSWVIC	VICNSW	TOTAL
T1 Clearing Price	\$1,250.00	\$8,377.00	\$3,300.00	\$7,345.00	\$1,001.45	\$6,326.00	
T2 Clearing Price	\$1,205.04	\$8,402.00	\$3,685.00	\$6,109.00	\$926.00	\$5,500.10	
T3 Clearing Price	\$762.00	\$7,523.00	\$3,420.00	\$8,994.00	\$1,050.00	\$5,626.00	
T4 Clearing Price	\$986.00	\$6,900.00	\$3,406.52	\$7,909.52	\$1,107.41	\$5,109.52	
T5 Clearing Price	\$850.00	\$7,015.00	\$3,402.00	\$7,500.00	\$999.00	\$5,442.00	
T6 Clearing Price	To be auctioned						
T7 Clearing Price	To be auctioned						
T8 Clearing Price	To be auctioned						
T9 Clearing Price	To be auctioned						
T10 Clearing Price	To be auctioned						
T11 Clearing Price	To be auctioned						
T12 Clearing Price	To be auctioned						
Weighted Average Clearing Price of units auctioned	\$1,010.61	\$7,643.40	\$3,442.70	\$7,571.50	\$1,016.77	\$5,600.72	
Units Available	550	1,200	400	700	1,300	1,500	
Units Sold	225	500	165	290	540	625	
Purchase Payments	\$227,386.80	\$3,821,700.00	\$568,046.16	\$2,195,736.16	\$549,056.88	\$3,500,452.50	\$10,862,378.50

4.9 January – March 2014

The third of the twelve tranches for this quarter have been completed for all unit categories with 33.33% of all units auctioned

Table 4.9 indicates the clearing prices for each tranche for each directional interconnector.

Table 4.9 – Auction Results – January to March 2014 (Q1)

CLEARING PRICE (PER UNIT)	NSWQLD	QLDNSW	SAVIC	VICSA	NSWVIC	VICNSW	TOTAL
T1 Clearing Price	\$2,303.00	\$9,000.00	\$3,513.00	\$13,163.00	\$6,000.41	\$6,526.00	
T2 Clearing Price	\$1,521.00	\$8,500.00	\$3,420.00	\$17,001.00	\$5,002.07	\$6,904.00	
T3 Clearing Price	\$1,850.00	\$8,104.15	\$3,450.00	\$18,102.00	\$4,600.00	\$6,450.00	
T4 Clearing Price	\$1,700.00	\$7,400.07	\$3,352.00	\$17,502.00	\$4,300.00	\$6,342.00	
T5 Clearing Price	To be auctioned						
T6 Clearing Price	To be auctioned						
T7 Clearing Price	To be auctioned						
T8 Clearing Price	To be auctioned						
T9 Clearing Price	To be auctioned						
T10 Clearing Price	To be auctioned						
T11 Clearing Price	To be auctioned						
T12 Clearing Price	To be auctioned						
Weighted Average Clearing Price of units auctioned	\$1,843.50	\$8,251.06	\$3,433.75	\$16,442.00	\$4,975.62	\$6,555.50	
Units Available	550	1,200	400	700	1,300	1,500	
Units Sold	180	400	132	232	432	500	
Purchase Payments	\$331,830.00	\$3,300,422.00	\$453,255.00	\$3,814,544.00	\$2,149,467.84	\$3,277,750.00	\$13,327,268.84

4.10 April – June 2014

The second of the twelve tranches for this quarter have been completed for all unit categories with 25% of all units auctioned.

Table 4.10 indicates the clearing prices for each tranche for each directional interconnector.

Table 4.10 – Auction Results – April to June 2014 (Q2)

CLEARING PRICE (PER UNIT)	NSWQLD	QLDNSW	SAVIC	VICSA	NSWVIC	VICNSW	TOTAL
T1 Clearing Price	\$250.04	\$7,001.99	\$3,580.00	\$1,021.00	\$850.00	\$3,204.21	
T2 Clearing Price	\$301.00	\$6,832.00	\$3,604.08	\$1,100.00	\$810.00	\$2,852.00	
T3 Clearing Price	\$301.00	\$6,250.00	\$3,639.50	\$1,064.50	\$800.63	\$2,852.00	
T4 Clearing Price	To be auctioned						
T5 Clearing Price	To be auctioned						
T6 Clearing Price	To be auctioned						
T7 Clearing Price	To be auctioned						
T8 Clearing Price	To be auctioned						
T9 Clearing Price	To be auctioned						
T10 Clearing Price	To be auctioned						
T11 Clearing Price	To be auctioned						
T12 Clearing Price	To be auctioned						
Weighted Average Clearing Price of units auctioned	\$284.01	\$6,694.66	\$3,607.86	\$1,061.83	\$820.21	\$2,969.40	
Units Available	550	1,200	400	700	1,300	1,500	
Units Sold	135	300	99	174	324	375	
Purchase Payments	\$38,341.80	\$2,008,399.00	\$357,178.14	\$184,759.00	\$265,748.04	\$1,113,526.25	\$3,967,952.23

4.11 July – September 2014

The first of the twelve tranches for this quarter have been completed for all unit categories with 16.67% of all units auctioned.

Table 4.11 indicates the clearing prices for each tranche for each directional interconnector.

Table 4.11 – Auction Results – July to September 2014 (Q3)

CLEARING PRICE (PER UNIT)	NSWQLD	QLDNSW	SAVIC	VICSA	NSWVIC	VICNSW	TOTAL
T1 Clearing Price	\$415.00	\$7,300.00	\$3,807.08	\$1,100.00	\$820.00	\$3,409.10	
T2 Clearing Price	\$305.00	\$7,600.00	\$4,150.00	\$1,064.50	\$800.00	\$3,108.63	
T3 Clearing Price	To be auctioned						
T4 Clearing Price	To be auctioned						
T5 Clearing Price	To be auctioned						
T6 Clearing Price	To be auctioned						
T7 Clearing Price	To be auctioned						
T8 Clearing Price	To be auctioned						
T9 Clearing Price	To be auctioned						
T10 Clearing Price	To be auctioned						
T11 Clearing Price	To be auctioned						
T12 Clearing Price	To be auctioned						
Weighted Average Clearing Price of units auctioned	\$360.00	\$7,450.00	\$3,978.54	\$1,082.25	\$810.00	\$3,258.87	
Units Available	550	1,200	400	700	1,300	1,500	
Units Sold	90	200	66	116	216	250	
Purchase Payments	\$32,400.00	\$1,490,000.00	\$262,583.64	\$125,541.00	\$174,960.00	\$814,716.25	\$2,900,200.89

4.12 October – December 2014

The first of the twelve tranches for this quarter have been completed for all unit categories with 8.33% of all units auctioned.

Table 4.12 indicates the clearing prices for each tranche for each directional interconnector.

Table 4.12 – Auction Results – October – December 2014 (Q4)

CLEARING PRICE (PER UNIT)	NSWQLD	QLDNSW	SAVIC	VICSA	NSWVIC	VICNSW	TOTAL
T1 Clearing Price	\$2,001.00	\$6,250.00	\$3,321.00	\$7,500.00	\$910.00	\$5,262.00	
T2 Clearing Price	To be auctioned						
T3 Clearing Price	To be auctioned						
T4 Clearing Price	To be auctioned						
T5 Clearing Price	To be auctioned						
T6 Clearing Price	To be auctioned						
T7 Clearing Price	To be auctioned						
T8 Clearing Price	To be auctioned						
T9 Clearing Price	To be auctioned						
T10 Clearing Price	To be auctioned						
T11 Clearing Price	To be auctioned						
T12 Clearing Price	To be auctioned						
Weighted Average Clearing Price of units auctioned	\$2,001.00	\$6,250.00	\$3,321.00	\$7,500.00	\$910.00	\$5,262.00	
Units Available	550	1,200	400	700	1,300	1,500	
Units Sold	45	100	33	58	108	125	
Purchase Payments	\$90,045.00	\$625,000.00	\$109,593.00	\$435,000.00	\$98,280.00	\$657,750.00	\$2,015,668.00

4.13 Clearing Prices

This section indicates the historical average clearing prices from 2009 Q3 onwards and the clearing prices for the individual tranches for those quarters that have tranches still to be auctioned.

Figure 1 NSWQLD Clearing Prices

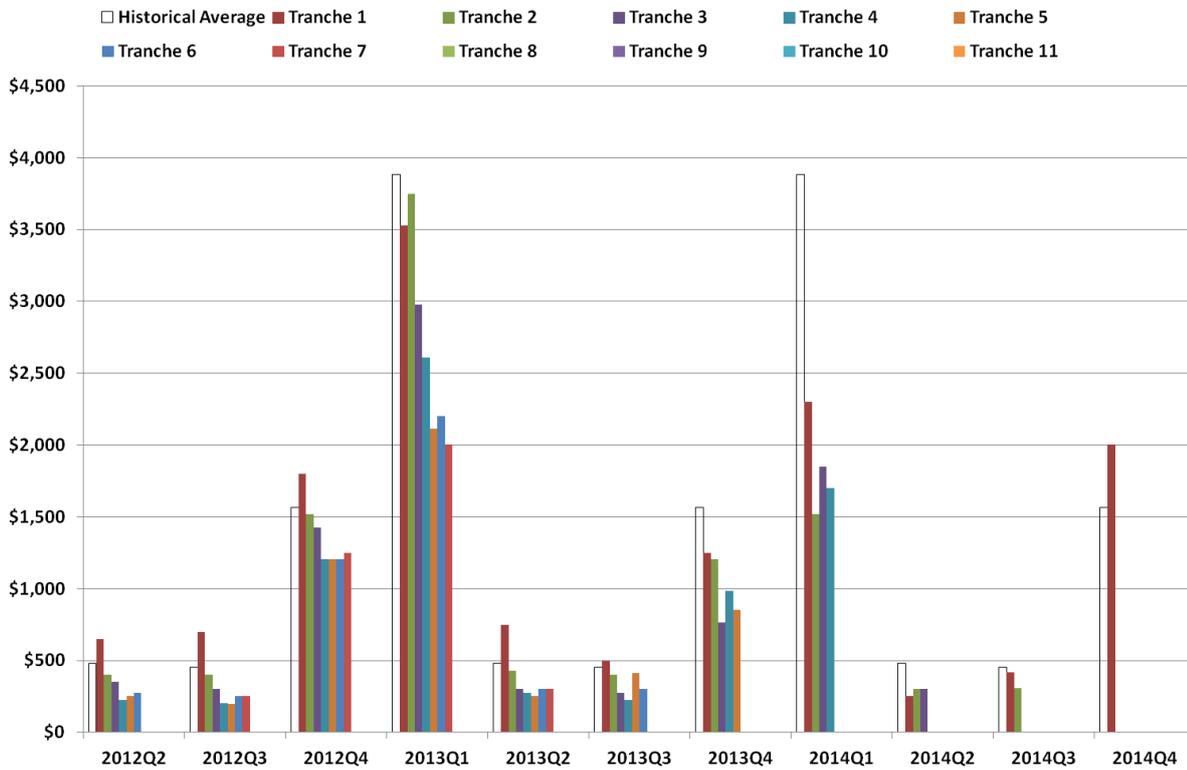


Figure 2 QLDNSW Clearing Prices

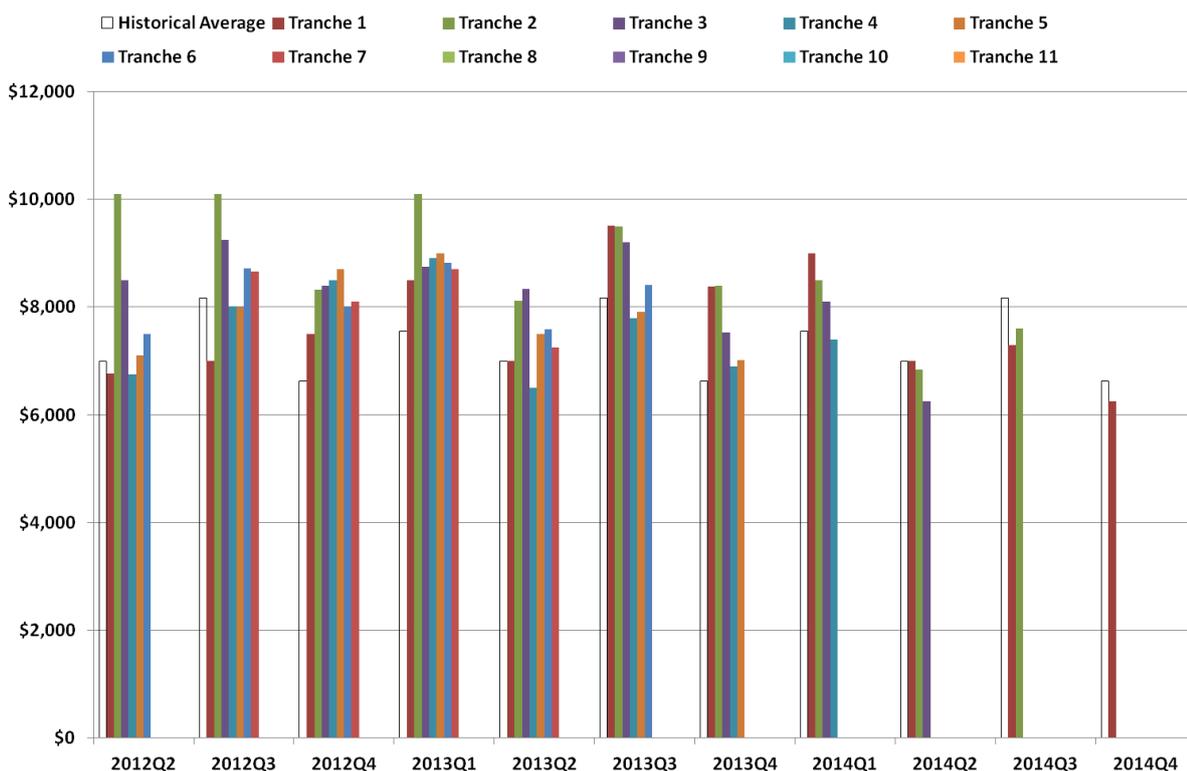


Figure 3 SAVIC Clearing Prices

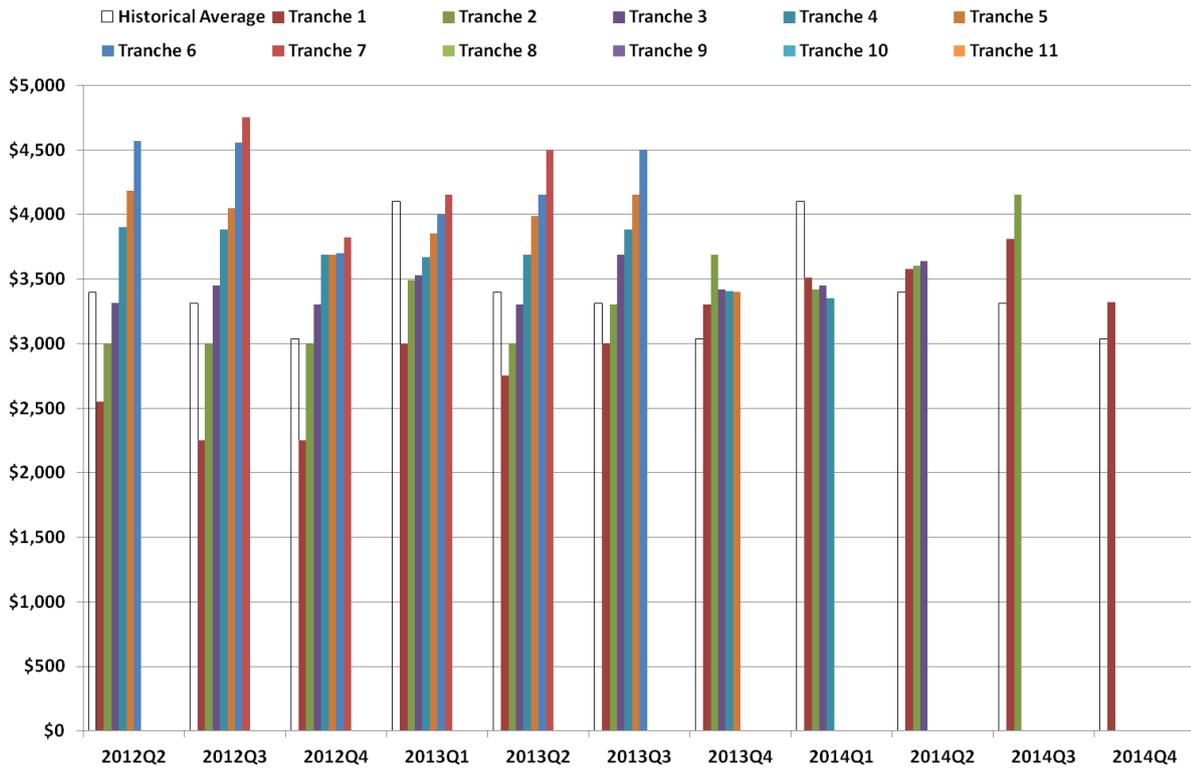


Figure 4 VICSA Clearing Prices

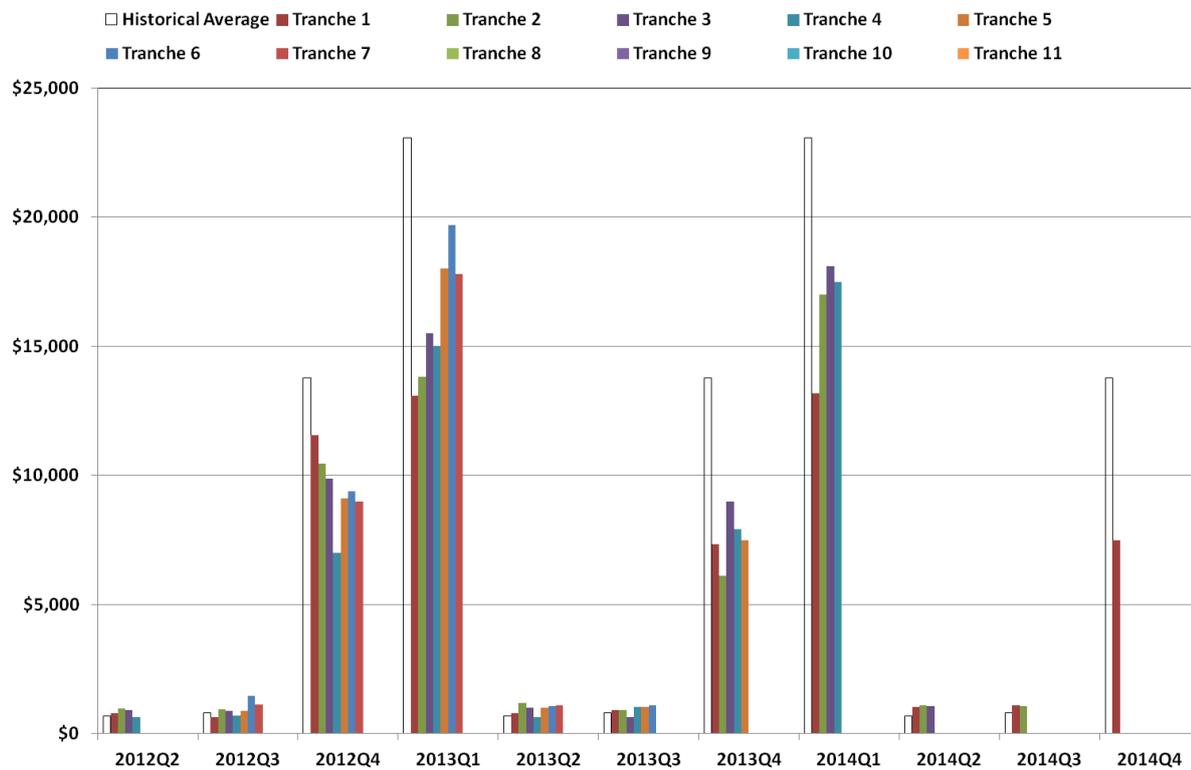


Figure 5 NSWVIC Clearing Prices

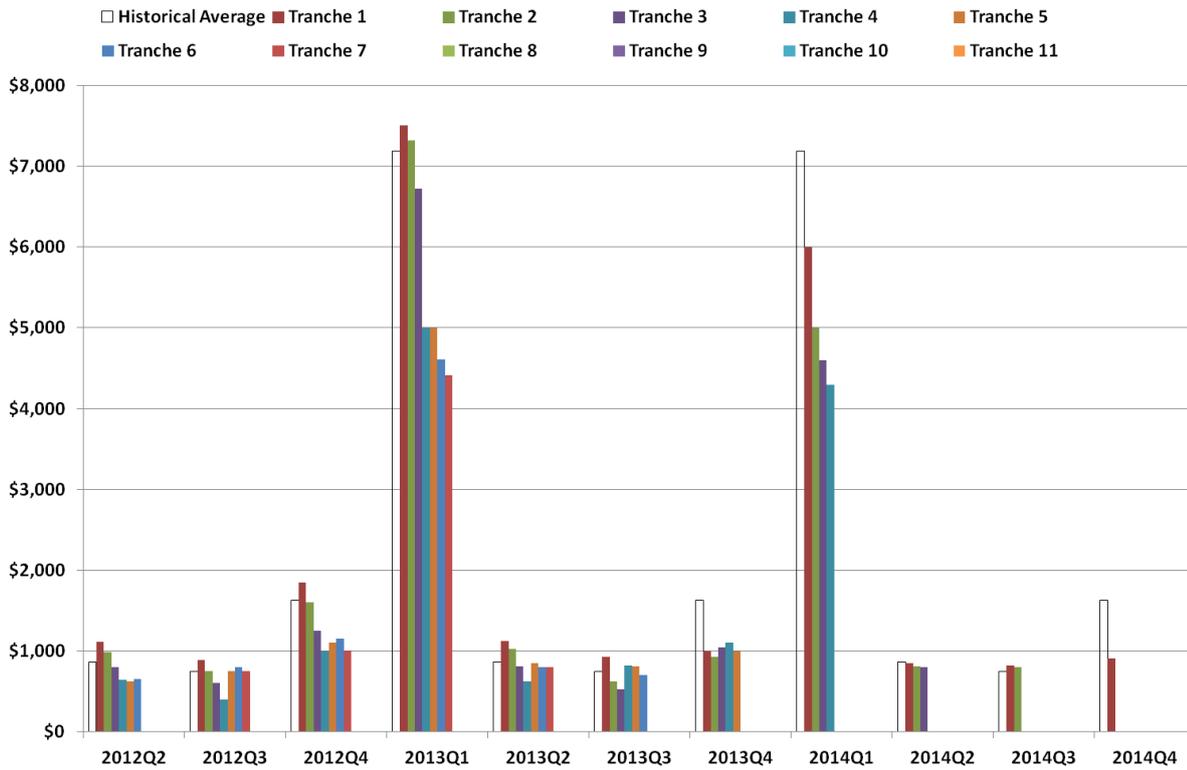
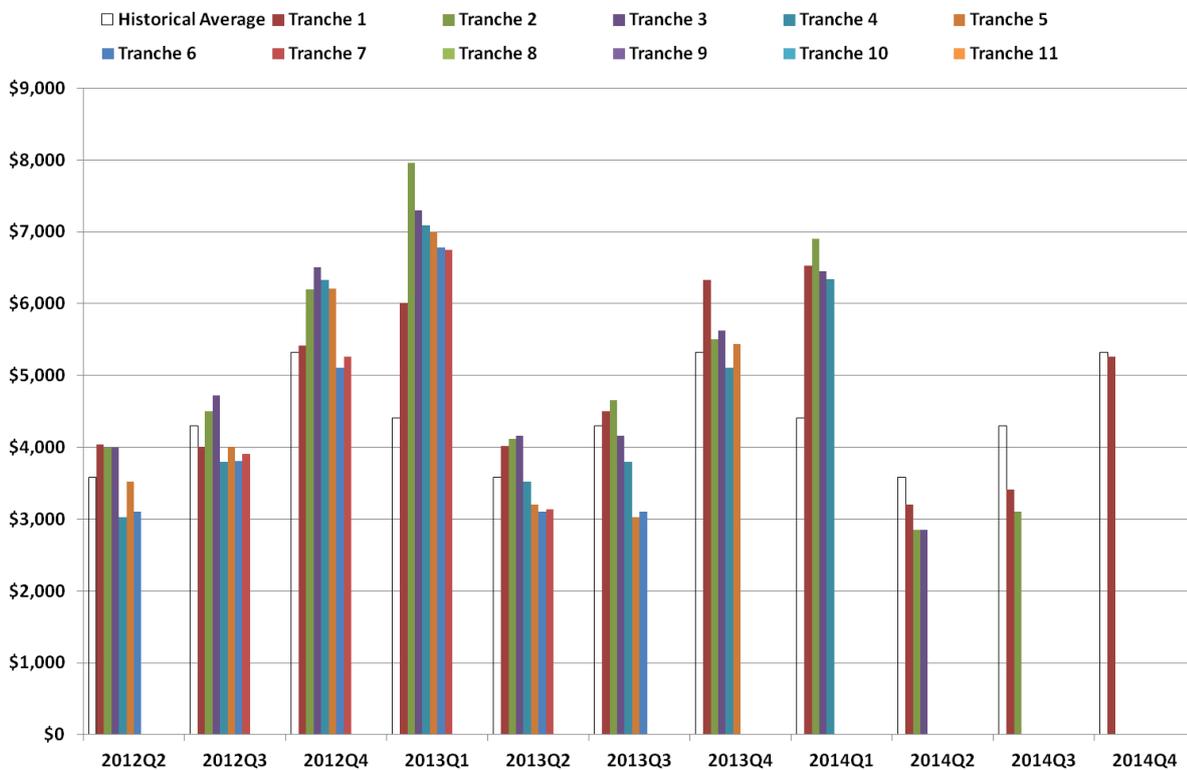


Figure 6 VICNSW Clearing Prices



5 Inter-regional Settlement Residue

Table 5 lists the residue payments for Quarter 4, 2011.

In summary for the quarter:

- approximately \$16.35 million of residues was distributed to unit holders
- auction proceeds were approximately \$29.15 million
- total negative residues were approximately \$2.27 million

Negative inter-regional settlement residues are recovered from the receiving Transmission Network Service Provider of the relevant directional interconnector.

Table 5 - Residue Payment Quarter 4, 2011 (1 October 2011 to 31 December 2011)

	NSWQLD	QLDNSW	SAVIC	VICSA	NSWVIC	VICNSW	TOTAL
Total Surplus	\$28,269.88	\$3,485,565.50	\$272,210.23	\$5,102,564.24	\$16,479.78	\$7,523,122.30	\$16,428,211.93
Auction Fees	\$2,200.00	\$21,600.00	\$3,200.00	\$25,200.00	\$6,500.00	\$21,000.00	\$79,700.00
Guaranteed Minimum ²	\$5,500.00	\$12,000.00	\$4,000.00	\$7,000.00	\$13,000.00	\$15,000.00	\$5,500.00
Adjustment Amount ³	\$0.00	\$0.00	\$0.00	\$0.00	\$3,020.22	\$0.00	\$3,020.22
Residue Distributed	\$26,069.88	\$3,463,965.50	\$269,010.23	\$5,077,364.24	\$13,000.00	\$7,502,122.30	\$16,351,532.15
Auction Proceeds	\$605,784.00	\$9,402,006.00	\$1,285,814.40	\$7,224,252.24	\$1,596,254.20	\$9,040,077.50	\$29,154,188.34
Payout ratio ⁴	4.3%	36.8%	20.9%	70.3%	0.8%	83.0%	56.1%
Negative Residues	\$1,707.25	\$85,371.54	\$425,252.65	\$14,211.92	\$1,740,712.54	\$1,380.33	\$2,268,636.23

1 Auction Fees are paid out of the residue prior to the balance being paid to the successful auction participant

2 All successful auction participants are guaranteed a minimum payment of \$10/unit

3 This is an additional payment to ensure that the participant receives the minimum payment.

4 Residue Distributed divided by Auction Proceeds, expressed as a percentage.