



30 January 2009

John Tamblyn (Chairman)
Australian Energy Market Commission
P O Box 24409
Sydney South, NSW 1235
AUSTRALIA

By Email To: submissions@aemc.gov.au

Dear Sir

Request for Pre-Determination Hearing – Project No. ERC0056

1. d-cyphaTrade requests a Pre-Determination Hearing in relation to the AEMC's Draft Determination for the Rule Change Proposal relating to Futures Offset Arrangements (Project No. ERC0056).
2. The Draft Determination identifies (at page vii of the summary) that the AEMC:
 - is not satisfied the proposed Rule would contribute to the achievement of the NEO given the risks identified and uncertainty about how parts of the proposed Rule would operate in practice and their impacts;
 - the option of making a more preferable Rule is not appropriate due to the complexity of the issues involved and the need to engage with stakeholders on a more detailed level.
3. An initial review of the Draft Determination and the Deloitte Risk Analysis Report of 21 January 2009 suggests that a number of aspects of the Rule Change Proposal and associated matters raised by d-cyphaTrade in its submissions in relation to the Rule Change Proposal may not have been fully understood.
4. The nature of these issues is such that we believe a Pre-Determination Hearing is highly desirable, and the most appropriate forum for the issues to be clarified and tested prior to a final determination being made. It would also allow written submissions to be more targeted, facilitating the AEMC's consideration of the matter.
5. d-cyphaTrade appreciates that the AEMC has suggested a section 45 review to explore the possibility of offsetting the prudential requirement levels of NEM participants but remains concerned that the delays inherent in addressing the issues through the section 45 review process will, in the meantime, prevent significant benefits flowing to market participants.
6. We firmly believe that a public hearing would expand the AEMC's understanding of the issues around proposed FOA and MCL Rule changes sufficient to enable it to be satisfied the proposed Rule changes would contribute to achievement of the NEO and to allow the Rule change to proceed.
7. Please contact Dean Price or Thomas Schmitz on **02 9237 0900** in relation to this request.

Sincerely

A handwritten signature in black ink, appearing to read "Dean Price".

Dean Price (General Manager)