

8 January 2010

Dr John Tamblyn  
Chairman  
Australian Energy Market Commission  
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By electronic submission

Dear John

### **Re | Time Allowed for the Determination of Compensation**

I refer to AEMO's request for a change to the National Electricity Rules relating to the time allowed for determination of directions compensation where an independent expert is required to determine a claim for additional compensation and AEMO considers the claim to be unreasonable.

AEMO considers this proposal to be non-controversial on the basis that the Rule would be unlikely to have a significant effect on the national electricity market. In support of this, the following information may be of assistance to the Commission in determining whether to expedite the Rule under s 96 of the National Electricity Law.

From 2002 to 2009, there were 148 directions with total compensation payments of \$21 million. Of these, 131 were resolved under clause 3.15.7A of the Rules by an independent expert or by AEMO applying a recent determination of an independent expert. The remaining 17 directions were for energy or market ancillary services with total compensation payments of \$232,292.

For two of the directions relating to energy or market ancillary services, which occurred under similar circumstances on consecutive days, the Directed Participant made a claim for additional compensation under clause 3.15.7B(a2) of the Rules to a total value of \$28,932. There have been no additional compensation claims that have required determination by an independent expert.

Should you require any further information, please contact Brian Nelson on 02 9239 9132.

Yours sincerely



**Terry Grimwade**  
**Executive General Manager Market Development**