

## **Part 15B                    Procedures**

### **135E            General purpose of this Part**

This Part describes the process for making Procedures.

### **135EA        Matters about which Procedures may be made**

- (1) Retail Market Procedures may deal with the following matters:
  - (a) principles for interpreting the Retail Market Procedures;
  - (b) the administration and operation of a regulated retail gas market;
  - (c) criteria for registration of participants in a regulated retail gas market;
  - (d) establishing, maintaining and administering a register of gas delivery points;
  - (e) the collection, estimation and use of metering data related to a regulated retail gas market;
  - (f) the transfer of customers and delivery points in a regulated retail gas market;
  - (g) implementation of a ROLR scheme;
  - (h) balancing, allocation and reconciliation of quantities of gas injected and withdrawn in a regulated retail gas market;
  - (i) unaccounted for gas;
  - (j) collection and payments related to settlement in a regulated retail gas market;
  - (k) collection, communication, use and disclosure of information related to a regulated retail gas market;
  - (l) the payment of fees by, or the recovery of fees from, Registered participants, or a particular class of Registered participants;
  - (m) forecasting gas usage and the use of indicators as a basis for estimating a customer's probable annual gas consumption;
  - (n) audits and reviews;
  - (o) meters and associated equipment;
  - (p) lost *retail customers*;
  - (q) any aspect of the regulated retail gas market of South Australia including:

- (i) the provision of the swing service and the storage, allocation, reconciliation, adjustments, injection and withdrawal of gas relevant to the swing service; and
  - (ii) the operation of gate points and gate point control systems; and
  - (iii) any associated warranties and representations; and
  - (iv) the provision of flow signals; and
  - (v) the circumstances giving rise to an entitlement to compensation; and
  - (vi) associated off-market procurements and transactions;
  - (vii) bids and bid stacks; and
  - (viii) arrangements that will apply in the event of an emergency; and
  - (ix) failure of data systems; and
  - (x) registers, systems, services and agreements related to any of the above; and
  - (xi) identification and alteration of sub-networks, gas zones and gate points; and
  - (xii) liabilities, indemnities, insurance and immunities; and
  - (xiii) user exit;
  - (r) any subject dealt with under legislation or former legislation (principal or subordinate) of a participating jurisdiction relating to the administration or operation of a retail gas market before the changeover date;
  - (s) any subject dealt with under rules (or former rules) that:
    - (i) relate to the administration or operation of a retail gas market before the changeover date; and
    - (ii) were contractually binding on market participants before the changeover date;
  - (t) any matter consequential or related to any of the above.
- (2) Wholesale Market Procedures may deal with the following matters:
- (a) system security;
  - (b) gas scheduling;
  - (c) demand forecasts;
  - (d) accreditation;

- (e) administered pricing;
- (f) compensation;
- (g) ancillary payments;
- (h) uplift payments;
- (i) connection approval;
- (j) metering (including metering communication and the metering register);
- (k) unaccounted for gas;
- (l) energy calculation;
- (m) the data validation procedure;
- (n) electronic communication;
- (o) maintenance planning;
- (p) allocation of entitlements to utilise pipeline capacity;
- (q) transfer of entitlements to utilise pipeline capacity;
- (r) any subject dealt with under legislation or former legislation (principal or subordinate) of a participating jurisdiction relating to the administration or operation of a wholesale gas market before the changeover date;

**Note:**

This is intended to facilitate the making of Procedures reflecting (inter alia) the MSO Rules procedures and guidelines as defined in section 58(2) of the *National Gas (Victoria) Act 2008* (Vic).

- (s) any other subject relevant to a declared wholesale gas market on which the *NGL* or these rules contemplate the making of Procedures.
- (3) The BB Procedures may deal with the following matters:
- (a) the manner in which AEMO maintains, and publishes information on, the Natural Gas Services Bulletin Board including the format of any registers or reports required or permitted by these rules;
  - (b) the manner and form of applications to AEMO related to the Natural Gas Services Bulletin Board;
  - (c) the time, manner and form for providing AEMO with information in connection with the Natural Gas Services Bulletin Board and the collection and collation of that information;
  - (d) the terms and conditions of use of the Natural Gas Services Bulletin Board;

- (e) restrictions on the use of the free text facility;
  - (f) the determination of any matter AEMO is required or allowed to determine under these rules including forecasts of peak demand;
  - (g) the definition of:
    - (i) demand zones;
    - (ii) production zones;
  - (h) the meaning of symbols used for the purposes of the Natural Gas Services Bulletin Board;
  - (i) the definition of terms or the designation of status for the purposes of the rules governing the operation of the Natural Gas Services Bulletin Board;
  - (j) the estimation, calculation and recovery of BB operating costs;
  - (k) any other subject relevant to the Natural Gas Services Bulletin Board on which the *NGL* or these rules contemplate the making of Procedures.
- (4) The STTM Procedures may deal with the following matters:
- (a) specifying the points that comprise the hubs to which Part 20 of these rules applies;
  - (b) information required and processes to be followed for the registration of persons, information, services and trading rights by AEMO for the purposes of the STTM;
  - (c) administration of the market operator service;
  - (d) submission of offers and bids in the ex ante market and for contingency gas;
  - (e) scheduling of offers and bids in the ex ante market and for contingency gas;
  - (f) allocation of quantities of natural gas supplied to or withdrawn from a hub;
  - (g) submission of variations to schedules on or after a gas day;
  - (h) the application of administered pricing or scheduling arrangements;
  - (i) the process to be followed in relation to a requirement, or potential requirement, for contingency gas;
  - (j) determination of quantities, prices and amounts payable by or to Registered participants for the purposes of market settlement;
  - (k) determination and payment of claims relating to administered pricing;
  - (l) prudential requirements applicable to Registered participants;

- (m) consultation in relation to proposals that may lead to a request to the AEMC for a rule relating to the STTM;
  - (n) any matter consequential or related to any of the above.
- (5) The Capacity Transfer and Auction Procedures may deal with the following matters:
- (a) information required and processes to be followed for the registration of transportation service providers and transportation facilities by AEMO under Part 24;
  - (b) establishing, maintaining and administering a register of transportation service providers and transportation facilities;
  - (c) establishing, maintaining and administering the transportation service point register;
  - (d) the provision by transportation service providers of service point specifications for the transportation service point register and changes to those specifications;
  - (e) the determination of zones and pipeline segments;
  - (f) obligations of transportation service providers in connection with transaction support arrangements and the capacity auction established under Part 25, including arrangements for:
    - (i) access to and use of the systems established by AEMO;
    - (ii) the calculation of auction quantity limits;
    - (iii) the provision of information to AEMO including contract reference information, auction quantity limits and information about transportation facilities, service points, nominations and curtailment;
    - (iv) the validation of transactions entered into on the gas trading exchange or through the capacity auction including timing, the criteria for validation and rejection of transactions that fail validation; and
    - (v) information required and processes to be followed to give effect to transactions entered into on the gas trading exchange or through the capacity auction;
  - (g) arrangements for transactions entered into on the gas trading exchange or through the capacity auction to be taken into account for the purposes of Part 19 or Part 20;
  - (h) the calculation of payments to transportation service providers for use of an operational transportation service after termination of the contract from which the transportation capacity is first derived;

- (i) establishing the capacity auction in accordance with Part 25, including:
  - (i) the standard form of auction agreement;
  - (ii) eligibility to enter into an auction agreement and to participate in the capacity auction;
  - (iii) prudential requirements applicable to auction participants;
  - (iv) access to and use of the systems established by AEMO;
  - (v) the specification of auction products and the auction quantity or the manner in which those matters are determined;
  - (vi) the conduct of the capacity auction including timing, the form of bids, the determination of capacity auction results and when the capacity auction may be delayed, suspended or cancelled; and
  - (vii) a description of the information to be published by AEMO in relation to the capacity auction and any restrictions that may be placed on access to that information;
- (j) the calculation of amounts payable to or by transportation service providers and auction participants in connection with the capacity auction;
- (k) contingency arrangements for events affecting the transaction support arrangements or the capacity auction including:
  - (i) the failure of systems or processes; and
  - (ii) default in the performance of obligations under the Procedures or other instruments;
- (l) any other subject relevant to the matters in Part 24 or Part 25 on which the *NGL* or these rules contemplate the making of Procedures; and
- (m) any matter consequential or related to any of the above.

### **135EB Preconditions for making Procedures**

- (1) AEMO may only make Procedures if AEMO is satisfied that the Procedures:
  - (a) are consistent with the *NGL* and these rules; and
  - (b) are appropriate having regard to:
    - (i) the national gas objective; and
    - (ii) any compliance costs likely to be incurred by AEMO, Registered participants or BB participants in consequence of the Procedures;

- (iii) any principles stated in these rules that are applicable to the relevant Procedures.
- (2) In making Retail Market Procedures, AEMO must have regard to any applicable access arrangement.
- (3) However, AEMO may make Retail Market Procedures that are inconsistent with an applicable access arrangement.
- (3A) In making Capacity Transfer and Auction Procedures, AEMO must also be satisfied that the Procedures are appropriate having regard to:
  - (a) any compliance costs likely to be incurred by transportation service providers, transportation facility users, auction participants and gas trading exchange members; and
  - (b) the Operational Transportation Service Code.
- (4) This rule does not apply in relation to Procedures that AEMO makes, or proposes to make, under section 144 of the *NERL*.

### **135EC Impact and implementation report**

- (1) AEMO must establish a process (the **approved process**) for:
  - (a) examining and assessing a proposal for the making of Procedures; and
  - (b) preparing a report (an **impact and implementation report**) containing:
    - (i) a critical examination of a proposal for the making of Procedures; and
    - (ii) an assessment of the likely effect of the proposed Procedures; and
    - (iii) a recommendation on whether the Procedures should be made.
- (2) AEMO must consult on the proposed approved process in accordance with the *extended consultative procedure*.
- (3) AEMO must publish the approved process on its website.

### **135ED Proposal for making Procedures**

- (1) AEMO or any other person may propose the making of Procedures.
- (2) The proposal must include:
  - (a) a draft of the proposed Procedures; and
  - (b) a description of, and an explanation of the reasons for, the proposed Procedures.

- (3) Within 40 business days of formulating, or receiving from some other proponent, a proposal for the making of Procedures, AEMO must prepare an impact and implementation report in accordance with the approved process.
- (4) AEMO may, without preparing an impact and implementation report, reject a proposal if AEMO reasonably considers that the proposed Procedures:
  - (a) lie beyond AEMO's power to make Procedures; or
  - (b) are similar to Procedures proposed, but rejected, in the previous 12 months; or
  - (c) are misconceived or lacking in substance.
- (5) If AEMO decides to reject a proposal under subrule (4), AEMO must:
  - (a) give the proponent written notice of the *decision* and the reasons for it; and
  - (b) publish the *decision* and the reasons for it on AEMO's website.
- (6) If a proponent withdraws its proposal for the making of Procedures, the process for making the Procedures lapses unless AEMO decides to adopt the proposal.
- (7) If AEMO is the proponent, subrules (4) to (6) do not apply.

### **135EE Ordinary process for making Procedures**

- (1) This rule describes the ordinary process for making Procedures.

**Note:**

This rule represents the minimum requirements to which AEMO is subject. AEMO is not prevented from seeking useful commentary on the proposal by other means and from other sources.
- (2) AEMO must publish on its website a notice:
  - (a) setting out the proposed Procedures together with the impact and implementation report; and
  - (b) inviting Registered participants and other interested persons to submit written comments on the proposed Procedures to AEMO on or before a date (which must be at least 20 business days after the date of the notice) specified in the notice.
- (3) The notice under subrule (2) must be published no more than 10 business days after completion of the impact and implementation report.
- (4) AEMO must publish a *decision* on its website within 20 business days after the closing date for submissions that:
  - (a) summarises any comments received on the proposed Procedures; and



- (b) sets out the proposed Procedures and, if they have been revised in the light of the comments received, describes how and why they have been revised; and
  - (c) if the *decision* is to make the proposed Procedures – specifies the day on which the Procedures are to take effect; and
  - (d) if the *decision* is against making the proposed Procedures – states that the proposal has been rejected and gives reasons for its rejection.
- (5) At least 15 business days before the day on which new Procedures are to take effect or an earlier date fixed by these rules in a particular case, AEMO must:
- (a) give notice of the new Procedures (in a manner and form determined by AEMO) to each Registered participant and BB participant; and
  - (b) publish the new Procedures on its website; and
  - (c) make copies of the new Procedures available to the public at its public offices.
- (6) In determining whether or not to make Procedures under this rule, AEMO:
- (a) must take into account all relevant and material comments that it receives by the closing date for comments; and
  - (b) may, but is not required to, take into account any comments that it receives after that date.

### **135EF Expedited process for making Procedures**

- (1) This rule describes the expedited process for making Procedures.
- (2) The expedited process is applicable if AEMO considers that:
  - (a) the Procedures are urgently necessary:
    - (i) to ensure the proper operation of a regulated gas market; or
    - (ii) to ensure an adequate supply of natural gas; or
    - (iii) to ensure an appropriate response to an emergency; or
  - (b) the Procedures are non-material (i.e. unlikely to have a significant financial or operational impact on Registered participants or BB participants).
- (3) If the expedited process is applicable to a proposal, AEMO must, within 10 business days after completing an impact and implementation report, publish on its website a notice:

- (a) setting out the proposed Procedures together with the impact and implementation report; and
  - (b) stating that AEMO considers the expedited procedure applicable to the making of the Procedures; and
  - (c) inviting Registered participants and other interested persons to submit written comments on the proposed Procedures to AEMO on or before a date (which must be at least 15 business days after the date of the notice) specified in the notice; and
  - (d) fixing a date (the **proposed effective date**) for the proposed Procedures to take effect.
- (4) After the closing date for submissions, AEMO must, by notice published on its website:
- (a) confirm the proposal and confirm the proposed effective date or defer the proposed effective date to a later date specified in the notice; or
  - (b) amend the proposal and confirm the proposed effective date or defer the proposed effective date to a later date specified in the notice; or
  - (c) defer a *decision* on the proposal and provide for further consultation before a final *decision* on the proposal is made; or
  - (d) withdraw or reject the proposal.
- (5) At least 15 business days before the day on which Procedures are to take effect, AEMO must:
- (a) give notice of the Procedures (in a manner and form determined by AEMO) to each Registered participant and BB participant; and
  - (b) publish the Procedures on its website;
  - (c) make copies of the Procedures available to the public at its public offices.

### **135EG Time limits**

- (1) AEMO may, by notice published on its website, extend a time limit fixed by or under this Part if:
- (a) the relevant proposal raises questions of such complexity or difficulty that an extension of the time limit is justified; or
  - (b) a material change of circumstances occurs justifying the extension of the time limit.
- (2) A notice published under subrule (1) must state the reasons for the extension.