

# National Gas Rules Version 44

## Historical Information

This version of the National Gas Rules was current from 21 March 2019 to 20 April 2019.

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## Status Information

This is the latest electronically available version of the National Gas Rules as at 21 March 2019.

This consolidated version of the National Gas Rules was last updated on 21 March 2019 as a result of the commencement of the following amendment:

Schedules 1 and 5 of the National Gas Amendment (Regulation of covered pipelines) Rule 2019 No. 1.

This consolidated version of the Rules reflects the initial Rules made by the SA Minister under section 294 of the NGL as amended by:

Rules made by the South Australian Minister under sections 294A to 294F of the NGL; and

Rules made by the Australian Energy Market Commission under Chapter 9, Part 3 of the NGL.

## Application of the National Energy Customer Framework related Rule

On 27 June 2012, the South Australian Minister made Rules relating to the implementation of the National Energy Customer Framework (**NECF**), including amendments to the National Gas Rules under section 294C of the NGL (**NECF related Rule**). The NECF related Rule commenced operation as a law of Tasmania, the Australian Capital Territory and the Commonwealth on 1 July 2012; South Australia on 1 February 2013, New South Wales on 1 July 2013 and Queensland on 1 July 2015.

The NECF related Rule does not apply in Victoria, Western Australia or the Northern Territory until the National Energy Retail Law set out in the Schedule to the National Energy Retail Law (South Australia) Act 2011 is implemented as a law in that jurisdiction (clause 88, Part 13, Schedule 3 NGL). The NECF related Rule can be found on the Australian Energy Market Commission's website under the 'National Gas Rules', 'Rules made by the SA Minister' tabs.

## Provisions in force

All provisions displayed in this consolidated version of the Rules have commenced.

Schedule 3 of the National Gas Amendment (Regulation of covered pipelines) Rule 2019 No. 1 commences operation on 21 April 2019.

Schedule 4 of the National Gas Amendment (Regulation of covered pipelines) Rule 2019 No. 1 commences operation on 21 June 2019.

Schedule 2 of the National Gas Amendment (Regulation of covered pipelines) Rule 2019 No. 1 commences operation on 21 July 2019.

Schedules 5 and 7 of the National Gas (Capacity Trading and Auctions) Amendment Rule 2018 commence operation on 1 October 2019.

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## Part 1 Preliminary

### 1 Citation

These rules may be cited as the *National Gas Rules 2008*.

### 2 Commencement

[Deleted]

### 3 Interpretation

In these rules:

***access arrangement information*** – See rule 42.

***access arrangement period*** for an applicable access arrangement means any of the following periods that may be applicable to the access arrangement:

- (a) the period between the commencement of the access arrangement and the commencement of the first revision of the access arrangement;
- (b) if the first revision of the access arrangement has not yet taken effect – the period between the commencement of the access arrangement and the revision commencement date for the access arrangement;
- (c) if revision of the access arrangement prior to its expiry is not contemplated – the period between the commencement of the access arrangement and the *expiry date* for the access arrangement;
- (d) the period between the commencement of the last revision of the access arrangement and the revision commencement date for the access arrangement;
- (e) if the access arrangement has been revised but further revision prior to its expiry is not contemplated – the period between revision commencement date of the last revision of the access arrangement and the *expiry date* for the access arrangement;

**Note:**

One should bear in mind that the actual date on which a revision takes effect may differ from a revision commencement date stated in the access arrangement (which is a date fixed some time in advance as the intended date for the revision to take effect). The revision commencement date is relevant to the definition of the *access arrangement period* only until the revision actually takes effect and the date thus crystallises.

***access arrangement proposal*** means:

- (a) a full or limited access arrangement submitted for the AER's approval; or
- (b) an *access arrangement revision proposal*; or

(c) an *access arrangement variation proposal*.

***access arrangement revision proposal*** means a proposal for the revision of an access arrangement submitted for the AER's approval under rule 52.

***access arrangement variation proposal*** means a proposal for the variation of an access arrangement submitted for the AER's approval under rule 65.

***allowed imputation credits*** for a regulatory year of an *access arrangement period* for an applicable access arrangement means the value of imputation credits stated, or calculated in the way stated, in the *applicable rate of return instrument*;

***allowed rate of return*** for a regulatory year of an *access arrangement period* for an applicable access arrangement means the rate of return calculated in the way stated in the *applicable rate of return instrument*;

***applicable rate of return instrument*** for a regulatory year of an *access arrangement period* for an applicable access arrangement means the rate of return instrument in force when the AER makes the applicable access arrangement decision.

***approved CTP process*** means a tender process approved by the AER under Part 5 as a competitive tender process.

***contact details*** of a person means:

- (a) the street address of the person's place of residence or business; and
- (b) the person's postal address; and
- (c) the person's telephone number; and
- (d) the person's fax number; and
- (e) if the person has a website – the website address; and
- (f) the person's email address.

***credit support*** means:

- (a) for the purposes of Part 19 – see rule 200.
- (b) for the purposes of Part 20 – see rule 364.
- (c) for the purposes of Part 21 – see rule 523.

***CTP access arrangement*** means the access arrangement (based on the result of an *approved CTP process*) for a *CTP pipeline*.

***CTP pipeline*** means a pipeline to which an irrevocable *tender approval decision* relates.

***decision*** includes a recommendation, determination or order.

**default interest rate** means a rate of 2% above the interest rate.

**distributor** means:

- (a) For the purposes of Part 12A – see rule 119A.
- (b) For the purposes of Part 15A – as set out in that Part.
- (c) For the purposes of Part 19 – see rule 200.
- (d) For the purposes of Part 20 – see the definition of STTM distributor in rule 364.
- (e) For the purposes of Part 21 – see rule 502.

**downstream location** means a location to which natural gas is delivered by means of a pipeline and includes a location to which natural gas from the pipeline is delivered by means of a branch pipeline (a **lateral**).

**element of an access arrangement proposal** includes a part or provision of the *access arrangement proposal*.

**energy laws** has the meaning given in section 2(1) of the *NERL*.

**expedited consultative procedure** means the procedure for consultative *decision* making laid down in rule 9.

**expiry date** means a date fixed in an access arrangement for the expiry of the access arrangement.

**extended consultative procedure** means the procedure for consultative *decision* making laid down in rule 9A.

**full access arrangement proposal** means an *access arrangement proposal* consisting of, or relating to, a full access arrangement.

**full regulation pipeline** means a covered pipeline other than a *light regulation pipeline*.

**incremental services means** pipeline services provided by means of an extension to, or expansion of the capacity of, the pipeline.

**insolvency official** means a receiver, receiver and manager, administrator, provisional liquidator, liquidator, trustee in bankruptcy or person having a similar or analogous function.

**interest rate** means:

- (a) the most recent 1 month Bank Bill Swap Reference Rate mid rate determined by the Australian Financial Markets Association, as identified by AEMO on its website; or



- (b) if the above rate ceases to exist, or that rate becomes, in AEMO's reasonable opinion, inappropriate, the interest rate determined and published by AEMO on its website.

**Law** means the *NGL* and these rules.

**light regulation pipeline** means a pipeline by means of which light regulation services are provided.

**limited access arrangement proposal** means an *access arrangement proposal* consisting of, or relating to, a limited access arrangement.

**National Energy Retail Law** means the National Energy Retail Law set out in the Schedule to the *National Energy Retail Law (South Australia) Act 2011* of South Australia.

**National Energy Retail Rules** has the same meaning as in the *National Energy Retail Law*

**NER** means the National Electricity Rules within the meaning of the National Electricity Law as set out in the schedule to the *National Electricity (South Australia) Act 1996* of South Australia.

**NERL** means the *National Energy Retail Law*.

**NERR** means the *National Energy Retail Rules*.

**NGL** means the National Gas Law.

**non-delegable duty** means a duty that a service provider cannot carry out through the instrumentality of another service provider under section 10 of the *NGL*.

**receipt or delivery point** means a point on a pipeline at which a service provider takes delivery of natural gas, or delivers natural gas.

**reclassification application** means an application under section 128 of the *NGL* for reclassification of a pipeline.

**reference service factors** means the criteria set out in rule 47A(15).

**reference service proposal** means, in respect of a service provider for a *full regulation pipeline*, the proposal submitted under rule 47A.

**reference tariff variation mechanism** – See rules 92 and 97.

**retail customer** has the same meaning as in the *NGL*.

**retailer** has the same meaning as in the *NGL*.

**retailer insolvency event** – see rule 520.

**review submission date** means a date on or before which an *access arrangement revision proposal* is required to be submitted – See rules 49 to 52.

***revision commencement date for an applicable access arrangement*** means the date fixed in the access arrangement as the date on which revisions resulting from a review of an access arrangement are intended to take effect.

***scheme pipeline service provider*** means a service provider for a scheme pipeline.

***serve*** – a pipeline *serves* a particular location or point if there is a *receipt or delivery point* at that location or point into which natural gas is injected, or from which natural gas is delivered.

***standard consultative procedure*** means the procedure for consultative *decision* making laid down in rule 8.

***tender approval decision*** means a *decision* by the AER under Part 5 approving a tender process as a competitive tender process;

***upstream location*** means a location at which natural gas is injected into a pipeline.

## **Part 2                      AER to provide information, and promote informed discussion, on regulatory issues**

### **4                      Interpretation**

In this Part:

**regulatory issues** means matters concerning any aspect of the AER's powers or functions under the *Law*.

### **5                      Discussion papers on regulatory issues**

- (1) The AER may prepare, for public information or discussion, papers on regulatory issues.
- (2) The papers are to be published:
  - (a) on the AER's website; and
  - (b) in any other way the AER considers appropriate.

### **6                      Submissions, comments and public discussions**

- (1) The AER may invite written comments or submissions from the public on particular regulatory issues.
- (2) The AER may:
  - (a) appoint a time and place for public discussion of particular regulatory issues between representatives of the AER and the public; and
  - (b) invite public participation in the discussion.
- (3) Comments or submissions may be invited, or a public discussion held, whether or not the relevant issues have been the subject of a paper published under this Part.
- (4) An invitation under this rule is to be published:
  - (a) on the AER's website; and
  - (b) in any other way the AER considers appropriate.

## Part 3 Decision-making under the Law

### Division 1 Preliminary

#### 7 Definitions

In this Part:

**decision maker** means:

- (a) the NCC; or
- (b) the AER; or
- (c) AEMO.

**overall time limit** means the time within which a *decision* maker is required by the *Law* to make a final *decision* on a proposal.

**proponent** means a person who makes or submits a proposal.

**proposal** means:

- (a) an application; or
- (b) an *access arrangement proposal*; or
- (c) a proposal that a *decision* maker itself initiates for making a *decision* of a particular kind under the *Law*.

### Division 2 Decision making models

#### 8 Standard consultative procedure

- (1) If the *Law* requires a *decision* maker to deal with a proposal in accordance with the *standard consultative procedure*, the *decision* maker must proceed in accordance with this rule.
- (2) The *decision* maker must proceed as follows:
  - (a) the *decision* maker must publish a notice on its website and in a newspaper circulating generally throughout Australia:
    - (i) describing the proposal and giving the address of a website at which the proposal can be inspected; and
    - (ii) inviting written submissions on the proposal within 15 business days of the date of the notice; and

- (b) the *decision* maker must, after considering relevant submissions made within the time allowed in the notice and other matters the *decision* maker considers relevant, make a draft *decision*; and
  - (c) if the draft *decision* identifies changes to the proposal that should, in the *decision* maker's opinion, be made, the *decision* maker must:
    - (i) if it is the proponent – modify its proposal accordingly; or
    - (ii) if someone else is the proponent – notify the proponent of the *decision* and the reasons for it and give the proponent a reasonable opportunity to modify its proposal in the light of the *decision*;
  - (d) the *decision* maker must then publish, on its website and in any other way the *decision* maker considers appropriate:
    - (i) the draft *decision*; and
    - (ii) any modification of the proposal made in the light of the draft *decision*; and
    - (iii) a notice inviting written submissions and comments on the draft *decision*, and (if applicable) the modified proposal, within a period (at least 15 business days) stated in the notice;
  - (e) the *decision* maker must, within 20 business days after the end of the period allowed for making submissions and comments on the draft *decision*, consider all submissions and comments made within the time allowed and make its final *decision*.
- (3) A draft or final *decision* must:
  - (a) be in writing; and
  - (b) state the terms of the *decision* and the reasons for it.
- (4) After making a final *decision*, the *decision* maker must, without delay:
  - (a) if the *decision* is in the nature of a recommendation – deliver the final *decision* to the authority or person to whom the recommendation is addressed; and
  - (b) give copies of the final *decision* to the parties to the administrative process in which the *decision* is made; and
  - (c) publish the final *decision* on the *decision* maker's website; and
  - (d) make the final *decision* available for inspection during business hours at the *decision* maker's public offices.

- (5) Subject to the *Law*, a *decision* made in accordance with this rule takes effect on the date provided for its commencement under the terms of the *decision* or, if no date is so provided, 10 business days after the date of the *decision*.

## **9 Expedited consultative procedure**

- (1) If the *Law* requires a *decision* maker to deal with a proposal in accordance with the *expedited consultative procedure*, the *decision* maker must proceed in accordance with this rule.
- (2) The *decision* maker must proceed as follows:
  - (a) the *decision* maker must, after such consultation (if any) as the *decision* maker considers appropriate (and any revision of the proposal that results from that consultation), make a draft *decision*; and
  - (b) the *decision* maker must give copies of the draft *decision* to the parties to the administrative process in which the *decision* is to be made; and
  - (c) the *decision* maker must publish, on its website and in any other way the *decision* maker considers appropriate, the draft *decision* together with a notice:
    - (i) stating why the *decision* is required; and
    - (ii) giving reasonable details of the context in which the draft *decision* has been made, the issues involved and the possible effects of the *decision*; and
    - (iii) inviting written submissions and comments on the draft *decision* within 15 business days from the date of the notice;
  - (d) the *decision* maker must, within 20 business days after the end of the period allowed for making submissions and comments on the draft *decision*, consider all submissions and comments made within the time allowed and make its final *decision*.
- (3) A draft or final *decision* must:
  - (a) be in writing; and
  - (b) state the terms of the *decision* and the reasons for it.
- (4) After making a final *decision*, the *decision* maker must, without delay:
  - (a) if the *decision* is in the nature of a recommendation – deliver the final *decision* to the authority or person to whom the recommendation is addressed; and
  - (b) give copies of the final *decision* to the parties to the administrative process in which the *decision* is made; and

- (c) publish the final *decision* on the *decision* maker's website; and
  - (d) make the final *decision* available for inspection during business hours at the *decision* maker's public offices.
- (5) Subject to the *Law*, a *decision* made in accordance with this rule takes effect on the date provided for its commencement under the terms of the *decision* or, if no date is so provided, 10 business days after the date of the *decision*.

## 9A Extended consultative procedure

- (1) This rule applies wherever any person (the **consulting party**) is required by these rules to comply with the *extended consultative procedure*.
- (2) The consulting party must:
  - (a) give a notice to all persons with whom consultation is required:
    - (i) giving particulars of the matter under consultation; and
    - (ii) inviting written submissions on the matter under consultation; and
    - (iii) fixing a date (to be not less than 25 business days after the notice is given) as the closing date for submissions;
  - (b) publish the notice.
- (3) Unless otherwise specified in these rules, consultation is required with:
  - (a) all Registered participants; and
  - (b) all persons registered as Intending participants; and
  - (c) any other persons who appear to the consulting party to have a proper interest in the matter; and
  - (d) if the consulting party is not AEMO-AEMO.
- (4) A written submission:
  - (a) must be received by the consulting party on or before the closing date for submissions (and if not so received will not be regarded as a valid submission for the purposes of this rule); and
  - (b) may state whether the person making the submission considers that a meeting about the matter under consultation is necessary or desirable and, if so, the reasons why such a meeting is necessary or desirable.
- (5) The consulting party must within 20 business days from the closing date for submissions consider all valid submissions and if, after considering the submissions, the consulting party concludes that it is necessary or desirable to

hold a meeting or meetings, the consulting party must endeavour to hold the meeting or meetings within a further 25 business days.

- (6) When the consulting party has completed its consideration of the matter under consultation (and any meetings to be held under subrule (5) have been held), the consulting party:
  - (a) must publish a draft report setting out:
    - (i) the conclusions and any determinations proposed by the consulting party; and
    - (ii) the reasons for the consulting party's conclusions; and
    - (iii) the procedure followed by the consulting party in its consideration of the matter; and
    - (iv) a summary of each issue that the consulting party considers material contained in a valid written submission or raised in the course of a meeting and the consulting party's response to that issue; and
    - (v) in a notice at the front of the draft report – an invitation to the persons from whom submissions were sought to make written submissions to the consulting party on the draft report before a closing date (at least 10 business days after publication of the draft report) stated in the invitation; and
  - (b) must make the draft report available to the persons from whom submissions were sought; and
  - (c) subject to the consulting party's obligations of confidentiality, must, at the request of a person from whom a submission was sought, make available material submitted to the consulting party.
- (7) The consulting party must consider all valid submissions on the draft report within 30 business days after the closing date for submissions and, at the conclusion of its consideration, the consulting party:
  - (a) must publish a final report setting out:
    - (i) the conclusions and determinations of the consulting party; and
    - (ii) the reasons for the consulting party's conclusions; and
    - (iii) the procedure followed by the consulting party in its consideration of the matter; and
    - (iv) a summary of each issue raised in a valid submission that the consulting party considers material and the consulting party's response to that issue; and



- (b) must make the final report available to the persons from whom submissions were sought.
- (8) A notice, draft report or final report to be published under this rule must be published as follows:
  - (a) if the consulting party is the AEMC, the AER or AEMO – the consulting party must publish the notice or report on its website;
  - (b) in any other case – the consulting party must give AEMO a copy of the notice or report and AEMO must, within 3 business days of receipt of the notice or report, publish it on its website.
- (9) The consulting party must not make a *decision* or determination to which the *extended consultative procedure* applies until the consulting party has completed all the procedures set out in this rule (but substantial compliance is sufficient).

## **Division 3                      Summary rejection of certain proposals**

### **10                      General power to reject non-compliant or frivolous proposals**

- (1) A *decision* maker may, despite any other provision of these rules, reject a proposal on the ground that:
  - (a) the proposal has not been made in accordance with the *Law*; or
  - (b) relevant information or materials have not been provided as required by the *Law*; or
  - (c) the proposal is frivolous or vexatious.
- (2) A *decision* to reject a proposal under this rule must be made within 10 business days after receipt of the proposal by the *decision* maker.
- (3) A *decision* to reject a proposal under this rule must:
  - (a) be made in writing; and
  - (b) set out the reasons for the *decision*; and
  - (c) be given to the proponent without delay.

## **Division 4                      Time limits**

### **11                      Calculation of time**

- (1) If the *Law* fixes a time limit within which a *decision* maker must make a *decision* on a proposal, then for the purpose of calculating elapsed time, any of the following periods is, if the decision-maker so decides, to be disregarded:

- (a) any period allowed the proponent for correction or revision of the proposal;
  - (b) any period taken by the proponent or any other person to provide information, relevant to the *decision* maker's *decision* on the proposal, in response to a notice or requirement issued or made by the *decision* maker under the *Law*;
  - (c) any period allowed for public submissions on the proposal or on a draft *decision* on the proposal;
  - (d) any period allowed for submissions on a proposal by the AER to disclose confidential information, any period then taken by the AER to consider the submissions and decide whether to disclose the information, and any period occupied by a review of the *decision*;
  - (e) the period between commencement and conclusion of court proceedings to determine questions arising from the proposal or the *decision* maker's handling of the proposal.
- (2) The decision-maker must:
- (a) give notice of a *decision* under this rule to the proponent; and
  - (b) publish notice of the *decision* on its website.

## **12 Power to extend time limits**

- (1) Subject to limitations fixed by the *Law*, a *decision* maker may extend the time within which:
- (a) a proponent is required by the *Law* to take a particular step in a *decision* making process; or
  - (b) the *decision* maker is required by the *Law* to make a *decision* on a proposal.
- (2) The *decision* maker cannot, however, extend an overall time limit unless:
- (a) the proposal involves questions of unusual complexity or difficulty; or
  - (b) the extension of time has become necessary because of circumstances beyond the *decision* maker's control.
- (3) If a *decision* maker extends an overall time limit, the *decision* maker must:
- (a) give notice of the extension to the proponent (unless the *decision* maker is itself the proponent); and
  - (b) publish notice of the extension on its website and in a newspaper circulating generally throughout Australia.
- (4) The notice must:

- (a) specify the extent of the extension; and
- (b) give reasons for the extension.

**13 [Deleted]**

**14 Decisions made out of time**

- (1) If a *decision* maker fails to make a *decision* within an overall time limit (whether absolute or not), the *decision* maker must report on its failure to the MCE.

**Note:**

Non-compliance with a time limit does not invalidate the *decision* maker's *decision*: See section 332 of the *NGL*.

- (2) The report must:
  - (a) state the extent the *decision* was (or will be) out of time; and
  - (b) describe the *decision* maker's handling of the proposal; and
  - (c) give reasons for the *decision* maker's failure to make the *decision* within the relevant time limit.
- (3) A report under this rule must be published on the *decision* maker's website as soon as practicable after it is given to the MCE.

## Part 4 Coverage

### Division 1 Coverage determination

#### 15 Application for coverage determination (Section 92(2) of the NGL)

- (1) An application for a coverage determination must:
  - (a) state the applicant's name and *contact details*; and
  - (b) identify the pipeline for which coverage is sought; and
  - (c) give details of the pipeline's classification or, if there is no classification, the classification the applicant considers appropriate; and
  - (d) state the applicant's reasons for seeking coverage of the pipeline (including a demonstration of how coverage of the pipeline would give effect to the pipeline coverage criteria); and
  - (e) include any information or documents on which the applicant relies in support of the application.
- (2) An application for a coverage determination for a pipeline to which a voluntary access arrangement applies may only be made if the coverage sought in the application is to commence from, or after, the expiry of that arrangement.

**Note:**

A pipeline is regarded as a covered pipeline for the duration of a voluntary access arrangement. (See section 127 of the *NGL*.)

#### 16 Making of coverage recommendation (Sections 93 and 95 of the NGL)

- (1) The NCC must deal with an application for a coverage determination in accordance with the *standard consultative procedure*.
- (2) The NCC must make its final recommendation on the application within 4 months after receiving the application.
- (3) The time limit fixed by subrule (2) cannot be extended by more than a further 2 months.
- (4) A coverage recommendation must:—
  - (a) be in writing; and
  - (b) identify the pipeline to which the recommendation relates; and

- (c) include a reference to a website at which a description of the pipeline can be inspected; and
- (d) state the terms of the recommendation and the reasons for it.

**Note:**

A light regulation determination or a *decision* not to make a light regulation determination must be attached to the coverage recommendation (unless the pipeline is a designated pipeline) – See section 110(3)(b) of the *NGL*.

## **17 Relevant Minister's determination of the application (Section 99 of the NGL)**

- (1) A coverage determination, or a *decision* not to make a coverage determination, must –
  - (a) be in writing; and
  - (b) identify the pipeline to which the determination or *decision* relates; and
  - (c) include a reference to a website at which a description of the pipeline can be inspected; and
  - (d) state the terms of the determination or *decision* and the reasons for it.
- (2) A copy of the determination or *decision*:
  - (a) must be given without delay to:
    - (i) the service provider; and
    - (ii) the applicant (if not the service provider); and
    - (iii) the NCC; and
    - (iv) the AEMC; and
  - (b) must be published on the NCC's website.

## **Division 2 Coverage revocation determination**

### **18 Application for coverage revocation determination (Section 102 of the NGL)**

- (1) An application for a coverage revocation determination must:
  - (a) state the applicant's name and *contact details*; and
  - (b) state whether the application is for revocation of coverage for the whole, or part only, of the covered pipeline; and

- (c) state the applicant's reasons for the application (including a demonstration of how the coverage revocation determination would give effect to the pipeline coverage criteria); and
  - (d) include information, and be accompanied by the documents, on which the applicant relies in support of the application.
- (2) The application must also include the following information:
- (a) the capacity of the pipeline and the extent to which that capacity is currently utilised; and
  - (b) for a transmission pipeline, a description of:
    - (i) all locations *served* by the pipeline (i.e. all locations at which *receipt or delivery points* for natural gas carried by the pipeline exist); and
    - (ii) all pipelines that currently *serve* the same locations; and
    - (iii) all pipelines that currently pass within 100 km of any location *served* by the pipeline; and
  - (c) for a distribution pipeline, a description of:
    - (i) the geographical area *served* by the pipeline; and
    - (ii) the points at which natural gas is, or is to be, injected into the pipeline; and
  - (d) a description of the pipeline services provided, or to be provided, by the pipeline; and
  - (e) an indication of any other sources of energy available to consumers of gas from the pipeline; and
  - (f) the identity of the parties with an interest in the pipeline and the nature and extent of each interest; and
  - (g) a description of the following relationships:
    - (i) any relationship between the owner, operator and controller of the pipeline (or any 2 of them);
    - (ii) any relationship between the owner, operator or controller of the pipeline and a user of pipeline services or a supplier or consumer of gas in a location or geographical area *served* by the pipeline;
    - (iii) any relationship between the owner, operator or controller of the pipeline and the owner, operator or controller of any other pipeline *serving* any one or more of the same locations or the same geographical area; and

- (h) an estimate of the annual cost to the service provider of regulation; and
- (i) any other information the applicant considers relevant to the application of the National Gas Objective or the pipeline coverage criteria in the circumstances of the present case.

## **19 Making of coverage revocation recommendation (Sections 103 and 104 of the NGL)**

- (1) The NCC must deal with an application for a coverage revocation determination in accordance with the *standard consultative procedure*.
- (2) The NCC must make its final recommendation on the application within 4 months after receiving the application.
- (3) The time limit fixed by subrule (2) cannot be extended by more than a further 2 months.
- (4) A coverage revocation recommendation must:
  - (a) be in writing; and
  - (b) identify the covered pipeline to which the recommendation relates; and
  - (c) include a reference to a website at which a description of the pipeline can be inspected; and
  - (d) state the terms of the recommendation and the reasons for it.

## **20 Relevant Minister's determination of the application (Section 106(5) of the NGL)**

- (1) A coverage revocation determination, or a *decision* not to make a coverage revocation determination, must:
  - (a) be in writing; and
  - (b) identify the pipeline to which the determination or *decision* relates; and
  - (c) include a reference to a website at which a description of the pipeline can be inspected; and
  - (d) if there is a coverage determination for the pipeline, refer to the determination; and
  - (e) state the terms of the determination or *decision* and the reasons for it.
- (2) A copy of the determination or *decision*:
  - (a) must be given without delay to:

- (i) the service provider; and
  - (ii) the applicant (if not the service provider); and
  - (ii) the NCC; and
  - (iii) the AEMC; and
- (b) must be published on the NCC's website.



## Part 5 Competitive tendering

### 21 Application for approval of tender process as a competitive tender process

- (1) A person (the **proponent**) may apply to the AER for approval of a proposed tender process as a competitive tender process if:
  - (a) the tender is for the provision of pipeline services to or from a particular locality; and
  - (b) the tender envisages the construction and operation of a new pipeline by the person who submits the successful tender.
- (2) An application for the AER's approval under this rule must:
  - (a) set out the proponent's name and *contact details*; and
  - (b) contain a description of the pipeline services sought through the tender process; and
  - (c) describe the proposed tender process including:
    - (i) the rules and procedures to be followed; and
    - (ii) the minimum requirements with which a tender will be required to comply; and
    - (iii) the proposed date for calling tenders and the proposed closing date for submission of tenders; and
  - (d) set out the criteria to be applied in selecting the successful tender.
- (3) A proponent may, by notice to the AER, withdraw its application at any time before the AER decides the application.

### 22 Approval of process as competitive tender process

- (1) The AER must, within 2 months after it receives an application under this Part, approve or refuse to approve the tender process as a competitive tender process.
- (2) The time limit fixed in subrule (1) cannot be extended by more than a further month.
- (3) The AER must approve a proposed tender process as a competitive tender process if the AER is satisfied that the tender process complies with the following requirements:
  - (a) the tender process must be for the provision of pipeline services of the kind described in the application for the *tender approval decision*; and

- (b) the tender process must be an appropriate mechanism for determining terms and conditions of access having regard to:
    - (i) the national gas objective; and
    - (ii) the requirements of procedural fairness, probity and fair dealing; and
  - (c) the specifications contained in the request for tender:
    - (i) must not limit the kind of pipeline services to which access may be sought; and
    - (ii) must not impose conditions or requirements that the AER considers would, or would be likely to, prevent or discourage the submission of any tender that is consistent with the selection criteria; and
  - (d) the selection criteria must require the exclusion of a tender from consideration if it does not contain any of the essential elements for inclusion in a tender specified in subrule (4).
- (4) The essential elements for inclusion in a tender are:
- (a) a description of the proposed pipeline; and
  - (b) a description of the services to be offered; and
  - (c) the proposed reference services and, for each reference service, the terms and conditions of access, including the proposed reference tariff; and
  - (d) if the proposed pipeline is a transmission pipeline – the proposed queuing requirements; and
  - (e) the proposed extension and expansion requirements; and
  - (f) the proposed *expiry date* of the *CTP access arrangement* (which must fall no more than 15 years from the commissioning of the pipeline).

## 23 Time limit for completion of tender process

- (1) If the AER approves the proposed tender process as a competitive tender process, it may, in the *tender approval decision*, fix a time limit for completion of the tender process.
- (2) The AER may, however, extend the time limit from time to time.

## 24 Report on the conduct of the tender process

- (1) When the successful tender is selected, the proponent must give the AER a written report (the **compliance report**) on the conduct of the tender process.
- (2) The compliance report must include the following information:

- (a) the reasons for the selection of the successful tender; and
- (b) information showing that the tender was conducted in accordance with the approved process and, in particular, that the successful tender was selected in accordance with the approved selection criteria; and
- (c) the terms and conditions proposed in the successful tender including:
  - (i) a description of the proposed pipeline; and
  - (ii) a description of the pipeline services to be offered; and
  - (iii) the proposed reference services and, for each reference service, the terms and conditions of access, including the proposed reference tariff; and
  - (iv) the proposed queuing requirements; and
  - (v) the proposed extension and expansion requirements; and
  - (vi) the proposed *expiry date* of the *CTP access arrangement* (which must fall no more than 15 years from the commissioning of the pipeline); and
- (d) information showing that the terms and conditions are consistent with the national gas objective.

## **25 Lapse or revocation of tender approval decision**

- (1) *A tender approval decision* lapses if:
  - (a) the time limit for completion of the tender process expires before the proponent submits a compliance report in accordance with this Part; or
  - (b) the proponent fails to submit a compliance report in accordance with this Part within 2 months after the selection of the successful tender.
- (2) The AER may revoke its *tender approval decision* if, after consideration of the compliance report, it is not satisfied that all aspects of the tender process were in accordance with the approved process.
- (3) If the AER proposes to revoke its *tender approval decision* under subrule (2), the AER must, within 20 business days after receiving the compliance report, give the proponent a written notice:
  - (a) stating that the AER is proposing to revoke the *tender approval decision* and the reasons for the proposed revocation; and
  - (b) inviting the proponent to make submissions to the AER on the proposed revocation; and

- (c) stating that submissions must be made within 20 business days after the date of the notice.
- (4) The AER may, after considering any submissions made in accordance with a notice under subrule (3), revoke its *tender approval decision*.
- (5) Unless a *tender approval decision* lapses or is revoked within 3 months after the proponent gives the AER its compliance report, the *decision* becomes irrevocable at the end of that period.

## 26 Classification of tender approval pipeline

- (1) When the *tender approval decision* becomes irrevocable:
  - (a) the proposed pipeline described in the successful tender selected in accordance with the approved process becomes a *CTP pipeline*; and
  - (b) the AER must ask the NCC to classify the pipeline in accordance with the pipeline classification criterion.
- (2) The AER must provide the NCC with information the NCC reasonably requires to classify the pipeline.
- (3) The NCC must make an initial classification *decision*:
  - (a) classifying the pipeline as a transmission pipeline or a distribution pipeline; and
  - (b) if the pipeline is classified as a transmission pipeline – determining whether the pipeline is also a cross-boundary transmission pipeline; and
  - (c) if the pipeline is classified as a distribution pipeline – determining whether the pipeline is also a cross-boundary distribution pipeline; and
  - (d) if the pipeline is a cross-boundary distribution pipeline – determining, with regard to the jurisdictional determination criteria, the participating jurisdiction with which the pipeline is most closely connected.
- (4) The NCC must notify the AEMC and the AER of an initial classification *decision* under this rule.

## 27 CTP access arrangement

- (1) The service provider must, at least 6 months before a *CTP pipeline* is commissioned, submit to the AER for approval an *access arrangement proposal* proposing an access arrangement for the pipeline (a ***CTP access arrangement proposal***).
- (2) The terms and conditions for an access arrangement as proposed in the successful tender (the **proposed terms and conditions**) may be amended, with the AER's

approval, by agreement between the proponent and the service provider before the submission of the *CTP access arrangement* proposal.

- (3) If the AER is satisfied that the proposed *CTP access arrangement* reasonably reflects the proposed terms and conditions (including any amendment approved under this rule), the AER must approve the *CTP access arrangement*.
- (4) The approved *CTP access arrangement* must be published on the service provider's website.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (5) An approved *CTP access arrangement* may be amended, with the AER's approval, by the service provider.

## **28 Notification of AEMC**

- (1) The AER must notify the AEMC of:
  - (a) every *tender approval decision* under this Part; and
  - (b) every *decision* to revoke a *tender approval decision* under this Part.
- (2) When a *tender approval decision* becomes irrevocable under this Part, the AER must notify the AEMC of that fact.

## **29 Non-application of Parts 8, 9 and 10**

Parts 8, 9 and 10 do not apply to a *CTP access arrangement* or a *CTP access arrangement* proposal.

## Part 6 Ring fencing

### 30 Imposition of additional ring fencing requirement (Section 143 of the NGL)

A proposal by the AER to impose an additional ring fencing requirement under section 143 of the *NGL* is to be dealt with in accordance with the *expedited consultative procedure*.

### 31 Exemptions from minimum ring-fencing requirements (Section 146 of the NGL)

- (1) An application to the AER for an exemption under section 146 of the *NGL* from one or more of the minimum ring fencing requirements may be made by a service provider.

**Note:**

The minimum ring fencing requirements are the requirements imposed by sections 139, 140 and 141 of the *NGL*.

- (2) The AER must deal with such an application in accordance with the *expedited consultation procedure*.
- (3) An exemption is to be granted from section 139 of the *NGL* (prohibition on carrying on related business) if the AER is satisfied, on the application of a service provider, that:
  - (a) either:
    - (i) the relevant pipeline is not a significant part of the pipeline system for any participating jurisdiction; or
    - (ii) the service provider does not have a significant interest in the relevant pipeline and does not actively participate in the management or operation of the pipeline; and
  - (b) the cost of compliance with the relevant requirement for the service provider and its associates would outweigh the public benefit resulting from compliance; and
  - (c) the service provider has, by arrangement with the AER, established internal controls within the service provider's business that substantially replicate, in the AER's opinion, the effect that would be achieved if the related business were divested to a separate entity and dealings between the service provider and the entity were subject to the controls applicable to associate contracts.
- (4) An exemption is to be granted from section 140 of the *NGL* (segregation of marketing staff etc.) or section 141 (accounts) if the AER is satisfied, on the application of a service provider, that the cost of compliance with the relevant

requirement for the service provider and its associates would outweigh the public benefit resulting from compliance.

- (5) If compliance with a relevant requirement would, in the AER's opinion, lead to increased competition in a market, the AER must, in carrying out an assessment under subrule (3)(b) or subrule (4), disregard costs associated with losses arising from increased competition in upstream or downstream markets.

## **32 Approval of associate contracts etc (Sections 147 and 148 of the NGL)**

- (1) A service provider may apply to the AER for approval of:
  - (a) an associate contract or a proposed associate contract; or
  - (b) a proposed variation of an approved associate contract.
- (2) The AER must, on application under subrule (1), approve a contract or the variation of a contract if the AER is satisfied that the contract or variation:
  - (a) does not have the purpose, and is unlikely to have the effect, of substantially lessening competition in a market for natural gas services; and
  - (b) is not inconsistent with the competitive parity rule.

### **Note:**

The comparative parity rule is stated in section 148(2) of the *NGL*.

- (3) If the AER is not satisfied that a contract, or the variation of a contract, should be approved under subrule (2), the AER may nevertheless approve the contract or variation if satisfied that the resulting public benefit would outweigh any resulting public detriment.
- (4) An approval under this rule may be subject to conditions the AER considers appropriate including (for example) conditions:
  - (a) limiting the duration of the approval or providing that the approval will lapse on a material change of circumstances; and
  - (b) imposing reporting requirements on the service provider.
- (5) If the AER fails to make a *decision* on an application under this rule within 20 business days after receiving it, the AER is taken to have approved the relevant contract or variation unconditionally.

## **33 Notification of associate contracts**

- (1) A service provider must, within 5 business days after entering into, or varying, an associate contract (whether approved or not), give the AER written notice of the

contract or variation together with a copy of the contract (or the contract as varied).

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (2) A service provider incurs, by complying with this rule, no liability for breach of contract, breach of confidence, or any other civil wrong.



## **Part 7**                      **Light regulation determinations and information requirements**

### **Division 1**                **Making and effect of light regulation determinations**

#### **34**                      **Application for light regulation determination (Section 112(2) of the NGL)**

- (1) An application for a light regulation determination must:
  - (a) be in writing; and
  - (b) identify the pipeline that provides, or is to provide, the services for which the determination is sought and include a reference to a website at which a description of the pipeline can be inspected; and
  - (c) include a description of all pipeline services provided or to be provided by means of the pipeline; and
  - (d) include the applicant's reasons for asserting that the pipeline services should be light regulation services; and
  - (e) include other information and materials on which the applicant relies in support of the application.
- (2) The application must also include the following information:
  - (a) the capacity of the pipeline and the extent to which that capacity is currently utilised; and
  - (b) for a transmission pipeline, a description of:
    - (i) all locations *served* by the pipeline (i.e. all locations at which *receipt or delivery points* for natural gas carried by the pipeline exist); and
    - (ii) all pipelines that currently *serve* the same locations; and
    - (iii) all pipelines that currently pass within 100 km of any location *served* by the pipeline; and
  - (c) for a distribution pipeline, a description of:
    - (i) the geographical area *served* by the pipeline; and
    - (ii) the points at which natural gas is, or is to be, injected into the pipeline; and
  - (d) a description of the pipeline services provided, or to be provided, by the pipeline; and

- (e) an indication of any other sources of energy available to consumers of gas from the pipeline; and
- (f) the identity of the parties with an interest in the pipeline and the nature and extent of each interest; and
- (g) a description of the following relationships:
  - (i) any relationship between the owner, operator and controller of the pipeline (or any 2 of them);
  - (ii) any relationship between the owner, operator or controller of the pipeline and a user of pipeline services or a supplier or consumer of gas in a location or geographical area *served* by the pipeline;
  - (iii) any relationship between the owner, operator or controller of the pipeline and the owner, operator or controller of any other pipeline *serving* any one or more of the same locations or the same geographical area; and
- (h) an estimate of the annual cost to the service provider of regulation on the basis of light regulation and on the basis of full regulation; and
- (i) any other information the applicant considers relevant to the application of the National Gas Objective or the form of regulation factors in the circumstances of the present case.

### **35 NCC's decision on the application (Sections 113 and 114 of the NGL)**

- (1) In deciding an application for a light regulation determination, the NCC must:
  - (a) proceed in accordance with the *standard consultative procedure*; and
  - (b) consult with the AER.
- (2) A light regulation determination or a *decision* not to make a light regulation determination must:
  - (a) identify the pipeline, and the pipeline services, to which the determination or *decision* relates; and
  - (b) include a reference to a website at which a description of the pipeline, and the pipeline services, can be inspected; and
  - (c) state the terms of the determination or *decision* and the reasons for it.

## Division 2      Provision of information by light regulation pipelines

### 35A      Definitions and interpretation

(1) In this Division:

**access information standard** is defined in rule 36A.

**application date** means:

- (a) in relation to a pipeline that is a *light regulation pipeline* on the commencement date – the date falling 3 months after the commencement date;
- (b) in relation to a pipeline that becomes a *light regulation pipeline* within 3 months after the commencement date – the date falling 3 months after the commencement date; and
- (c) in relation to any other pipeline, the later of:
  - (i) the date the pipeline is commissioned; and
  - (ii) the date the pipeline becomes a *light regulation pipeline*.

**Note:**

Section 12 of the NGL defines when a pipeline is commissioned.

**business day** means a day that is not a Saturday, Sunday or public holiday in any participating jurisdiction or in relation to a pipeline in Western Australia, that jurisdiction alone.

**commencement date** means 21 March 2019.

**daily flow data** means, for a large distribution pipeline:

- (a) the quantity of natural gas that is metered as having been, or estimated by the pipeline operator to have been, injected at each receipt point on the pipeline on a gas day; and
- (b) the quantity of natural gas that is metered as having been, or estimated by the pipeline operator to have been, withdrawn at each delivery point on the pipeline on the gas day.

**financial information** means the information required to be published under rule 36D.

**financial reporting guidelines** means the guidelines published by the AER under rule 36F as amended from time to time.

**flow rate** means the rate at which gas flows past a point on a pipeline in an hour, expressed in GJ/hour.

**hourly flow data** means, for a large distribution pipeline:

- (a) the quantity of natural gas that is metered as having been, or estimated by the pipeline operator to have been, injected at each receipt point on the pipeline in each hour of the gas day; and
- (b) the quantity of natural gas that is metered as having been, or estimated by the pipeline operator to have been, withdrawn at each delivery point on the pipeline in each hour of the gas day.

**information** includes data.

**large distribution pipeline** means a distribution pipeline or part of a distribution pipeline that has a maximum daily capacity under normal operating conditions of >10TJ/day and a maximum pressure capability under normal operating conditions of >4MPa.

**meter** means a device that measures and records quantities of gas by reference to volume, mass or energy content.

**pipeline information** is defined in rule 36C(2).

**pipeline service information** is defined in rule 36C(3).

**service and access information** is defined in rule 36C.

**service availability information** is defined in rule 36C(5).

**service provider** has the meaning in section 8 of the *NGL*.

**service usage information** is defined in rule 36C(4).

**weighted average price information** is defined in rule 36E.

## **36 Service provider must publish terms and conditions of access to light regulation services**

- (1) A service provider providing pipeline services by means of a *light regulation pipeline* must publish on its website:
  - (a) the prices on offer for light regulation services; and
  - (b) the other terms and conditions of access to those services; and
  - (c) the methodology used to calculate the price referred to in subrule (1)(a) and sufficient information to enable prospective users to understand how that price reflects the application of the methodology.
- (2) If, however, a limited access arrangement is in force and is accessible on the service provider's website, the terms and conditions of access (other than price) need not be separately published on the website.

**Note:**

This rule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This rule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

### **36A Access information standard**

- (1) A service provider required by this Division to prepare, publish and maintain information must do so in accordance with the access information standard.
- (2) The **access information standard** means that the information:
  - (a) is not false or misleading in a material particular;
  - (b) in relation to information of a technical nature, is prepared, published and maintained in accordance with the practices, methods and acts that would reasonably be expected from an experienced and competent person engaged in the ownership, operation or control of a pipeline in Australia acting with all due skill, diligence, prudence and foresight; and
  - (c) in relation to a forecast or estimate, is supported by a statement of the basis of the forecast or estimate and:
    - (i) is arrived at on a reasonable basis; and
    - (ii) represents the best forecast or estimate possible in the circumstances.
- (3) Where a service provider becomes aware that information required to be published by it under this Division does not comply with the access information standard or this Division, the service provider must publish information that does comply as soon as practicable after the service provider becomes aware of the non-compliance.
- (4) Information published under this Division must include the date of publication, the date to which the information is current and, if the information replaces an earlier version as provided for by subrule (3), notice of that fact.

### **36B Service provider must publish information**

- (1) A service provider for a *light regulation pipeline* must prepare, maintain and publish on its website:
  - (a) if the *light regulation pipeline* is a distribution pipeline, the service and access information specified in rule 36C(1)(a) to (d);
  - (b) if the *light regulation pipeline* is a distribution pipeline that is or includes a large distribution pipeline, then in respect of the large distribution pipeline

only, the service and access information specified in rules 36C(1)(d) and 36(1)(e);

(c) the financial information specified in rule 36D; and

(d) weighted average price information, subject to rule 36E(3),

in accordance with the *NGL*, this Division and the financial reporting guidelines.

(2) The information referred to in subrule (1) must be published at the following times

service and access information (for <i>light regulation pipelines</i> that are distribution pipelines only)	pipeline information	No later than 20 business days after the application date for the <i>light regulation pipeline</i> .  Updated pipeline information must be published within 20 business days after there is a change.
	pipeline service information	No later than 20 business days after the application date for the <i>light regulation pipeline</i> .  Updated pipeline service information must be published within 20 business days after a new pipeline service is added or an existing pipeline service changes or is withdrawn.
	service usage information	Each month after the application date for the <i>light regulation pipeline</i> , by the last business day of the month for the prior month.
	service availability information	Each month after the application date for the <i>light regulation pipeline</i> , by the last business day of the month for the next 36 or 12 months as applicable.
financial information		Annually no later than four months after the end of the financial year of the service provider for the <i>light regulation pipeline</i> .
weighted average price information		Annually no later than four months after the end of the financial year of the service

provider for the <i>light regulation pipeline</i> .
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- (3) A service provider for a *light regulation pipeline* must publish the information referred to in subrule (1) by making the information publicly available on the service provider's website.
- (4) When the service provider for a *light regulation pipeline* publishes financial information and weighted average price information, it must notify the AER without delay that the information has been published.
- (5) A service provider for a *light regulation pipeline* must ensure that historical service usage information, financial information and weighted average price information for its *light regulation pipeline* continues to be publicly available for a period of 5 years after the date the information is first published, by publishing the information in accordance with subrule (3).

### **36C Service and access information for distribution pipelines**

- (1) The service and access information comprises:
  - (a) the pipeline information described in subrule (2);
  - (b) the pipeline service information described in subrule (3);
  - (c) the service usage information described in subrule (4)(a);
  - (d) for large distribution pipelines only, the service usage information described in subrule (4)(b); and
  - (e) for large distribution pipelines only, the service availability information described in subrule (5).
- (2) The pipeline information for a pipeline comprises:
  - (a) subject to subrule (6), the quantity of natural gas that can be transported through each gate station on the distribution pipeline in any 24 hour period;
  - (b) the details of all points on the pipeline where the service provider takes delivery of natural gas;
  - (c) a schematic map of the pipeline that shows the location on the pipeline of the points referred to in paragraph (b) and the geographic limits of the areas served by the pipeline;
  - (d) any technical or physical characteristics of the pipeline that may affect access to or use of the pipeline or the price for pipeline services on the pipeline; and

- (e) policies of the service provider that may affect access to or use of the pipeline or the price for pipeline services on the pipeline which may include:
    - (i) queuing requirements;
    - (ii) a receipt or delivery point change policy;
    - (iii) a metering and measurement policy; and
    - (iv) a balancing policy.
- (3) The pipeline service information for a pipeline comprises a list of the pipeline services available on the pipeline and for each pipeline service:
  - (a) a description of the service and any locational limitations on availability; and
  - (b) the priority ranking of the service in relation to the other pipeline services including when scheduling and in the event of curtailment.
- (4) The service usage information for a pipeline for a month comprises:
  - (a) the total quantity of natural gas metered as having been injected into the pipeline during the month or, where metering data is not available, estimated to have been injected into the pipeline during the month; and
  - (b) subject to subrule (6), for a large distribution pipeline, the following information for each entry and exit point on the large distribution pipeline that is owned, operated or controlled by the service provider or for which the service provider holds the information:
    - (i) daily flow data;
    - (ii) where a meter is installed at the relevant entry or exit point, the hourly flow data;
    - (iii) minimum inlet and minimum outlet pressures over each hour; and
    - (iv) a static table or chart showing the maximum flow rate of the entry or exit point against pressure.
- (5) The service availability information for a large distribution pipeline for a month comprises:
  - (a) an outlook of the firm capacity of the pipeline that the service provider has available for sale or that it will have available for sale for each month in the following 36 month period;
  - (b) information about matters expected to affect the capacity of the pipeline (including any planned expansions of the capacity) for each month in the following 12 month period, including:



- (i) the expected start and end dates of the matters expected to affect the capacity of the pipeline;
    - (ii) a description of the matters expected to affect the capacity of the pipeline; and
    - (iii) the expected capacity of the pipeline during the period it is affected by the matters referred to in paragraphs (i) and (ii);
  - (c) information on any other limitations on the availability of the pipeline services identified in the pipeline service information for each month in the following 12 month period;
- (6) The service and access information for a pipeline does not include:
- (a) the information specified in subrule (2)(a) if the nameplate rating for the relevant gate station is provided to AEMO by a BB reporting entity (as defined in Part 18) under rule 168.
  - (b) the information specified in subrule (4)(b) if the relevant entry point is a gate station and daily flow data for that gate station is reported to AEMO by a BB reporting entity (as defined in Part 18) under rule 187.

### **36D Financial information**

- (1) A service provider for a *light regulation pipeline* must prepare and publish on its website financial information about each of its *light regulation pipelines*. The financial information must:
  - (a) be in the form and contain the information specified in the financial reporting guidelines; and
  - (b) be certified in the manner provided for in the financial reporting guidelines.
- (2) To avoid doubt, a dispute resolution body is not bound by financial information published under this rule or by any methods, principles or inputs that have been used to calculate financial information published under this rule.

### **36E Weighted average price information**

- (1) Subject to subrule (3), a service provider for a *light regulation pipeline* must prepare and publish on its website weighted average price information for each of its *light regulation pipelines*. The weighted average price information must:
  - (a) be determined using a methodology set out in the financial reporting guidelines;
  - (b) be in the form and contain the information specified in the financial reporting guidelines; and
  - (c) be certified in the manner provided for in the financial reporting guidelines.

- (2) The weighted average price information for a *light regulation pipeline* means:
  - (a) the weighted average prices paid by users for pipeline services in a financial year of the service provider of the *light regulation pipeline*; and
  - (b) a description of the methodology used by the service provider to calculate the weighted average prices.
- (3) Subject to subrule (4), a service provider is not required to publish the weighted average price information for a pipeline service for a financial year if:
  - (a) during the relevant period, the pipeline service was provided, directly or indirectly, to no more than 2 users of the *light regulation pipeline*; and
  - (b) the service provider gives a notice to the AER at least 20 business days before the date required for publication that the service provider is not publishing the information for that financial year, specifying the pipeline service to which the notice relates and certifying the pipeline service was provided to no more than 2 users of the *light regulation pipeline* during the relevant period.
- (4) Where a notice is given to the AER under subrule (3), the AER may by notice to the service provider require the service provider to treat two or more pipeline services on the *light regulation pipeline* as if they were the same pipeline service and calculate and publish weighted average price information for the financial year on that basis. A service provider must comply with a notice given to it under this subrule.

## **36F Financial reporting guidelines**

- (1) The AER must publish and maintain financial reporting guidelines under this Division.
- (2) The financial reporting guidelines must:
  - (a) provide for the publication of financial information about each *light regulation pipeline* on a pipeline by pipeline basis and in respect of the financial year of the service provider for the pipeline, which may include:
    - (i) financial statements;
    - (ii) information on the methods, principles and inputs used to calculate:
      - (A) the value of any assets used in the provision of pipeline services;
      - (B) depreciation allowances;
      - (C) the allocation of costs between the different categories of pipeline services provided by the pipeline; and

- (D) the allocation of costs to the pipeline if the service provider operates more than one pipeline; and
- (iii) financial performance metrics;
- (b) specify the methods, principles and inputs to be used to calculate weighted average price information and the form this information is to take;
- (c) specify the level of detail of information required, which must be the level of detail reasonably required to enable a prospective user or users to negotiate on an informed basis with a service provider for the provision of a pipeline service to them by the service provider;
- (d) specify the basis on which the financial information and weighted average price information is to be provided; and
- (e) specify the form of any statement and/or any supporting documentation required to demonstrate that the information provided:
  - (i) has been arrived at on a reasonable basis; and
  - (ii) to the best knowledge of the service provider is accurate and complete.
- (3) The AER may from time to time amend the financial reporting guidelines in accordance with the *standard consultative procedure* in rule 8.

**Notes:**

The standard consultative procedure provides for publication of the proposal and consultation on the draft decision before making a final decision.

- (4) Nothing prevents the AER from publishing the financial reporting guidelines in the same document as the financial reporting guidelines published under Part 23.

### **37 Service provider must provide information about access negotiations for light regulation services**

- (1) A service provider providing pipeline services by means of a *light regulation pipeline* must report to the AER on access negotiations relating to light regulation services.
- (2) A report under this rule:
  - (a) must be made in a manner and form determined or approved by the AER; and
  - (b) must state the result of the negotiations and include other information required by the AER; and
  - (c) must be made (at least annually) at times specified by the AER.

- (3) The AER may, from time to time, publish an assessment of information reported to it by service providers under this rule.

**Note:**

This rule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

## **Division 3            Revocation of light regulation determinations**

### **38            Application for revocation of light regulation determination (Section 118(2) of the NGL)**

An application for the revocation of a light regulation determination must:

- (a) state the applicant's name and *contact details*; and
- (b) identify the light regulation determination to which the application relates; and
- (c) identify the service provider; and
- (d) identify the covered pipeline; and
- (e) state the applicant's reasons for asserting that light regulation determination should be revoked; and
- (f) include any information and materials on which the applicant relies.

### **39            NCC's decision on application (Sections 119 and 120 of the NGL)**

- (1) In deciding an application for revocation of a light regulation determination, the NCC must:
  - (a) proceed in accordance with the *standard consultative procedure*; and
  - (b) consult with the AER.
- (2) A *decision* on an application for revocation of a light regulation determination must:
  - (a) be in writing; and
  - (b) identify the light regulation determination; and
  - (c) identify the service provider and the covered pipeline; and
  - (d) describe the pipeline services affected by the *decision*; and
  - (e) state the terms of the *decision* and the reasons for it.

## Part 8 Access arrangements

### Division 1 AER's decisions regarding approval of access arrangement proposals

#### 40 [Deleted]

#### 41 Access arrangement proposal to be approved in its entirety or not at all

- (1) The AER's approval of an *access arrangement proposal* implies approval of every element of the proposal.
- (2) It follows that, if the AER withholds its approval to any *element of an access arrangement proposal*, the proposal cannot be approved.
- (3) Subject to other provisions of the *Rules* negating or limiting the AER's discretion, the AER has discretion to accept or approve, or to refuse to accept or approve, any element of an *access arrangement proposal*.

### Division 2 Access arrangement information

#### 42 General requirements for access arrangement information

- (1) *Access arrangement information* for an access arrangement or an *access arrangement proposal* is information that is reasonably necessary for users and prospective users:
  - (a) to understand the background to the access arrangement or the *access arrangement proposal*; and
  - (b) to understand the basis and derivation of the various elements of the access arrangement or the *access arrangement proposal*.
- (2) *Access arrangement information* must include the information specifically required by the *Law*.

#### 43 Requirement to provide access arrangement information

- (1) A service provider, when submitting an *access arrangement proposal* for the AER's approval, must submit, together with the proposal, *access arrangement information* for the *access arrangement proposal*.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (2) If particular information (**sensitive information**) is confidential, and its public disclosure could cause undue harm to the legitimate business interests of the service provider, a user or prospective user, the AER may permit the service provider to submit *access arrangement information* in a form, approved by the AER, in which the sensitive information:
  - (a) is aggregated or generalised so as to avoid disclosure of the elements that make it sensitive; or
  - (b) if that is not possible – is entirely suppressed.
- (3) If information submitted as *access arrangement information* is, in the AER's opinion, deficient in its comprehensiveness or in any other respect, the AER may require the proponent:
  - (a) to make the revisions necessary to correct the deficiency and to re-submit the *access arrangement information*; or
  - (b) to submit further *access arrangement information* as an addendum to the information already submitted.

#### **44 Publication etc of access arrangement information**

A requirement of the *Law* for publication or the provision of copies of an access arrangement or an *access arrangement proposal* extends, subject to these rules, to *access arrangement information* relating to the access arrangement or *access arrangement proposal*.

### **Division 3 Limited access arrangements**

#### **45 Requirements for limited access arrangement (and limited access arrangement proposal) (Section 116(2) of the NGL)**

- (1) A limited access arrangement for a *light regulation pipeline* must:
  - (a) identify the pipeline and include a reference to a website at which a description of the pipeline can be inspected; and
  - (b) set out a list of all the pipeline services that the service provider can reasonably provide on the pipeline, which must be described having regard to the characteristics in rule 47A(2); and
  - (c) state the terms and conditions (other than price) for access to the pipeline services; and
  - (d) if the access arrangement is to contain queuing requirements – set out the queuing requirements; and

**Note:**

Queuing requirements are necessary if the access arrangement is for a transmission pipeline but, if the pipeline is a distribution pipeline, queuing requirements are not necessary unless

the AER has given prior notification of the need to include queuing requirements (See rule 103).

- (e) set out the capacity trading requirements; and
  - (f) set out the extension and expansion requirements; and
  - (g) state the terms and conditions for changing receipt and delivery points; and
  - (h) if there is to be a *review submission date* – state the *review submission date* and the revision commencement date; and
  - (i) if there is to be an *expiry date* – state the *expiry date*.
- (2) The *access arrangement information* for the limited access arrangement must include the capacity of the pipeline and the extent to which that capacity is currently utilised.

## Division 4 Full access arrangements

### 46 Submission of full access arrangement proposal (Section 132 of the NGL)

- (1) Within 20 business days after a pipeline becomes a covered pipeline, the service provider must submit for the AER's approval a *reference service proposal* under rule 47A in respect of the *full access arrangement proposal* it is required to make in respect of the covered pipeline.
- (1A) Within 3 months after the AER makes a *reference service proposal decision* in respect of the *reference service proposal* submitted under subrule (1), the service provider for the covered pipeline must submit for the AER's approval a *full access arrangement proposal*.

Exceptions:

- (a) The proposals referred to in subrules (1) and (1A) are not required for a *light regulation pipeline* unless;
  - (i) the service provider wishes the pipeline services to cease to be light regulation services, advises the NCC to that effect, and an obligation to submit a full access arrangement consequently arises under section 117 of the *NGL*; or
  - (ii) the NCC decides to revoke a light regulation determination and an obligation to submit a full access arrangement consequently arises under section 121(1) of the *NGL*.
- (b) The obligation to submit an *access arrangement proposal* for a *CTP access arrangement* is governed by Part 5 and not by this rule.

- (2) If an obligation to submit a full access arrangement arises in the circumstances described in Exception (a):
  - (a) the *reference service proposal* must be submitted within 20 business days of the obligation arising; and
  - (b) the *access arrangement proposal* must be submitted within 3 months after AER makes a *reference service proposal decision* in respect of the *reference service proposal* submitted under subrule (2)(a).
- (3) The AER may extend the period for submitting an *access arrangement proposal* under this rule, but the period (or aggregate period) of extension cannot exceed 2 months.

**Note:**

This rule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

## **47 Voluntary submission of access arrangement proposal for full access arrangement (Section 127 of the NGL)**

- (1) A service provider for a pipeline that is not a covered pipeline may voluntarily submit for the AER's approval an *access arrangement proposal* proposing a full access arrangement for the pipeline.

**Note:**

The pipeline becomes a covered pipeline when the access arrangement takes effect as an applicable access arrangement and ceases to be a covered pipeline when the access arrangement expires. (See Section 127(2) and (3) of the NGL.)

- (1A) If a service provider decides to voluntarily submit for the AER's approval an *access arrangement proposal* proposing a full access arrangement for the pipeline then it must first submit for the AER's approval a *reference service proposal* under rule 47A in respect of the *full access arrangement proposal* it proposes to make in respect of the covered pipeline.
- (2) However:
  - (a) at any time before the AER makes a final *decision* to approve the access arrangement, the service provider may withdraw the *reference service proposal* or the *access arrangement proposal*; and
  - (b) the withdrawal terminates the administrative process for approval of the proposed access arrangement.
- (3) When an *access arrangement proposal* for a pipeline that is not currently classified is submitted to the AER for approval under this rule, the AER must, within 20 business days after receiving the *access arrangement proposal*:
  - (a) pass on to the NCC a copy of the *access arrangement proposal*, and accompanying *access arrangement information*; and



- (b) ask the NCC to classify the pipeline in accordance with the pipeline classification criterion.
- (4) The NCC must make an initial classification *decision*:
  - (a) classifying the pipeline as a transmission pipeline or a distribution pipeline; and
  - (b) if the pipeline is classified as a transmission pipeline – determining whether the pipeline is also a cross-boundary transmission pipeline; and
  - (c) if the pipeline is classified as a distribution pipeline – determining whether the pipeline is also a cross-boundary distribution pipeline; and
  - (d) if the pipeline is a cross-boundary distribution pipeline – determining, with regard to the jurisdictional determination criteria, the participating jurisdiction with which the pipeline is most closely connected.
- (5) The NCC must notify the AEMC and the AER of an initial classification *decision* under this rule.
- (6) If the service provider withdraws the *access arrangement proposal* before the AER makes a final *decision* to approve the access arrangement:
  - (a) the AER must immediately notify the NCC of the withdrawal; and
  - (b) an initial classification *decision*, if already made, lapses.

#### **47A Reference services**

- (1) A service provider in respect of a *full regulation pipeline* must, whenever required to do so under subrule (3), submit to the AER a *reference service proposal* in respect of a forthcoming *full access arrangement proposal* that:
  - (a) identifies the pipeline and includes a reference to a website at which a description of the pipeline can be inspected;
  - (b) sets out a list of all the pipeline services that the service provider can reasonably provide on the pipeline and a description of those pipeline services having regard to the characteristics in subrule (2);
  - (c) from the list referred to in subrule (1)(b), identifies at least one of those pipeline services that the service provider proposes to specify as reference services having regard to the *reference service factors* including any supporting information required by the AER; and
  - (d) if the service provider has engaged with pipeline users and end users in developing its *reference service proposal*, describes any feedback received from those users about which pipeline services should be specified as reference services.

- (2) A pipeline service is to be treated as distinct from another pipeline service having regard to the characteristics of different pipeline services, including:
  - (a) the service type (for example, forward haul, backhaul, connection, park and loan);
  - (b) the priority of the service relative to other pipeline services of the same type; and
  - (c) the receipt and delivery points.
- (3) A service provider in respect of a *full regulation pipeline* must submit a *reference service proposal* to the AER:
  - (a) no later than 12 months prior to the *review submission date* for the access arrangement; or
  - (b) if no access arrangement applies, in accordance with rule 46.
- (4) If the AER considers that the *reference service proposal* does not comply, in any respect, with a requirement of the *Rules*, the AER may notify the service provider that it requires resubmission of the *reference service proposal*, and in doing so, must:
  - (a) state why, and in what respects, the AER considers the *reference service proposal* to be non-compliant; and
  - (b) state a date by which the service provider is required to resubmit the amended *reference service proposal*.
- (5) If a service provider fails to submit a *reference service proposal* where required to do so under these Rules by the date that is 11 months prior to the *review submission date*, the AER must itself propose a *reference service proposal* for the relevant pipeline.
- (6) As soon as practicable after:
  - (a) receiving a *reference service proposal* from the service provider under subrule (3) that the AER does not consider needs resubmission under subrule (4);
  - (b) receiving the resubmitted *reference service proposal* under subrule (4); or
  - (c) proposing a *reference service proposal* under subrule (5),the AER must *publish*:
  - (d) the *reference service proposal*; and
  - (e) an invitation for written submissions on the *reference service proposal* (which must be for a period of at least 15 business days after the publication of the *reference service proposal*).

- (7) Any person may make written submissions to the AER on the *reference service proposal*, or the issues within the proposal including, without limitation, whether the *reference service proposal* should specify other services as reference services.
- (8) Following receipt of submissions under subrule (7), the AER may, at its discretion, undertake further consultation on the *reference service proposal*.
- (9) No later than 6 months prior to the *review submission date* for the access arrangement, the AER must make a *reference service proposal decision* and give a copy of the *decision* to the service provider and publish its *decision*, together with its reasons for the *decision*, on its website.
- (10) A *reference service proposal decision* is a *decision* to approve, or to refuse to approve, a *reference service proposal*.
- (11) If, in a *reference service proposal decision*, the AER refuses to approve a *reference service proposal* the AER must revise the *reference service proposal* having regard to:
  - (a) the matters that these rules require a *reference service proposal* to include; and
  - (b) the service provider's *reference service proposal*; and
  - (c) the AER's reasons for refusing to approve that proposal,and give a copy of the revised *reference service proposal* to the service provider and publish the revised *reference service proposal* on its website.
- (12) If the AER publishes a revised *reference service proposal* under subrule (11) it must as soon as practicable after publishing the revised proposal make a *reference service proposal decision* to give effect to the revised *reference service proposal*.
- (13) In making its *reference service proposal decision*, the AER must have regard to:
  - (a) the *reference service factors*;
  - (b) submissions made in response to its invitation under subrule (7) (within the time allowed in the invitation);
  - (c) where applicable, any feedback the service provider has received from pipeline users and end users, as described in accordance with subrule (1)(d); and
  - (d) any other matters the AER considers relevant.
- (14) In deciding whether or not a pipeline service should be specified as a reference service, the AER must have regard to the *reference service factors*.
- (15) The *reference service factors* are:

- (a) actual and forecast demand for the pipeline service and the number of prospective users of the service;
- (b) the extent to which the pipeline service is substitutable with another pipeline service to be specified as a reference service;
- (c) the feasibility of allocating costs to the pipeline service;
- (d) the usefulness of specifying the pipeline service as a reference service in supporting access negotiations and dispute resolution for other pipeline services, such that:
  - (i) reference services serve as a point of reference from which pipeline services that are not reference services can be assessed by a user or prospective user for the purpose of negotiating access to those other pipeline services;
  - (ii) a reference tariff serves as a benchmark for the price of pipeline services that are not reference services; and
  - (iii) reference service terms and conditions serve as a benchmark for the terms and conditions of pipeline services that are not reference services;
- (e) the likely regulatory cost for all parties (including the AER, users, prospective users and the service provider) in specifying the pipeline service as a reference service.

#### **48 Requirements for full access arrangement (and full access arrangement proposal)**

- (1) A full access arrangement must:
  - (a) identify the pipeline to which the access arrangement relates and include a reference to a website at which a description of the pipeline can be inspected; and
  - (b) describe all of the pipeline services that the service provider can reasonably provide on the pipeline, which must be consistent with the AER's *reference service proposal decision* under rule 47A, unless there has been a material change in circumstances; and
  - (c) specify the reference services, which must be consistent with the AER's *reference service proposal decision* under rule 47A, unless there has been a material change in circumstances; and
- (c1) if the information provided under subrules (1)(b) or (1)(c) is different to the AER's *reference service proposal decision* under rule 47A, describe the material change in circumstances that necessitated the change having regard to the *reference service factors*; and

- (d) specify for each reference service:
  - (i) the reference tariff; and
  - (ii) the other terms and conditions on which each reference service will be provided; and
- (e) if the access arrangement is to contain queuing requirements – set out the queuing requirements; and

**Note:**

Queuing requirements are necessary if the access arrangement is for a transmission pipeline but, if the pipeline is a distribution pipeline, queuing requirements are not necessary unless the AER has given prior notification of the need to include queuing requirements (See rule 103).

- (f) set out the capacity trading requirements; and
- (g) set out the extension and expansion requirements; and
- (h) state the terms and conditions for changing receipt and delivery points; and
- (i) if there is to be a *review submission date* – state the *review submission date* and the revision commencement date; and

**Note:**

A full access arrangement must contain a *review submission date* and a revision commencement date unless it is a voluntary access arrangement – See rule 49.

- (j) if there is to be an *expiry date* – state the *expiry date*.

**Note:**

A full access arrangement may contain an *expiry date* if it is a voluntary access arrangement (but not otherwise) – See rule 49.

- (2) This rule extends to an *access arrangement proposal* consisting of a proposed full access arrangement.

## **Division 5            Review and expiry of certain access arrangements**

### **49            Review submission, revision commencement and expiry dates**

- (1) A full access arrangement (other than a voluntary access arrangement):
  - (a) must contain a *review submission date* and a revision commencement date; and
  - (b) must not contain an *expiry date*.
- (2) An access arrangement to which this subrule applies:

- (a) may contain a *review submission date* or both a *review submission date* and an *expiry date*; and
  - (b) must, if it contains a *review submission date*, contain a revision commencement date; and
  - (c) must, if it contains no *review submission date*, contain an *expiry date*.
- (3) Subrule (2) applies to:
- (a) a full access arrangement that is a voluntary access arrangement; and
  - (b) a limited access arrangement for a *light regulation pipeline*.

## **50 Review of access arrangements**

- (1) A service provider, as part of an *access arrangement proposal* for a full access arrangement (other than a voluntary access arrangement), must propose a *review submission date* and a revision commencement date. The proposed revision commencement date must be not less than 12 months after the proposed *review submission date*.
- (2) The AER must approve the dates proposed by the service provider under subrule (1) if it is satisfied that those dates are consistent with the national gas objective and the revenue and pricing principles and if the proposed revision commencement date is not less than 12 months after the proposed *review submission date*.
- (3) If the AER does not approve the dates proposed by the service provider for the *review submission date* or the revision commencement date (as the case may be), because it considers those dates are not consistent with the national gas objective and the revenue and pricing principles, the AER must fix an alternative *review submission date* or revision commencement date (as the case may be).

## **51 Acceleration of review submission date**

- (1) The *review submission date* fixed in an access arrangement advances to an earlier date if:
  - (a) the access arrangement provides for acceleration of the *review submission date* on the occurrence of a trigger event; and
  - (b) the trigger event occurs; and
  - (c) the *review submission date* determined, in accordance with the access arrangement, by reference to the trigger event, is earlier than the fixed date.
- (2) A trigger event may consist of any significant circumstance or conjunction of circumstances.

**Examples:**

- 1 A re-direction of the flow of natural gas through the pipeline.
  - 2 A competing source of natural gas becomes available to customers *served* by the pipeline.
  - 3 A significant extension, expansion or interconnection occurs.
- (3) The AER may require the inclusion in an access arrangement of trigger events and may specify the nature of the trigger events to be included.

## **52 Access arrangement revision proposal**

- (1) A service provider must, on or before the *review submission date* of an applicable access arrangement, submit an *access arrangement revision proposal* to the AER.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (2) The *access arrangement revision proposal* must:
- (a) set out the amendments to the access arrangement that the service provider proposes for the ensuing *access arrangement period*; and
  - (b) incorporate the text of the access arrangement in the revised form.
- (3) The AER may extend the period for submitting an *access arrangement revision proposal* under this rule, but the period (or aggregate period) of extension cannot exceed 2 months.

## **Division 6 Division or consolidation of access arrangements**

### **53 Access arrangement proposal for division or consolidation of access arrangements**

- (1) The AER may, by notice to a service provider for a covered pipeline, direct the service provider to submit separate *access arrangement proposals* for different parts of the covered pipeline.
- (2) If pipeline services provided, or to be provided, by a service provider are (or are to be) provided by means of 2 or more covered pipelines, the AER may, by notice to the service provider, direct the service provider to submit a consolidated *access arrangement proposal* for all the relevant covered pipelines.

**Example:**

The AER might direct the submission of a consolidated *access arrangement proposal* for 2 or more covered transmission pipelines, 2 or more covered distribution pipelines or a combination of covered transmission and covered distribution pipelines.

- (3) The AER may give a direction under this rule either on its own initiative or on application by the service provider.
- (4) In deciding whether to give a direction under this rule, the AER must have regard to:
  - (a) the nature of the pipeline or pipelines; and
  - (b) the nature of the pipeline services provided or to be provided by means of the pipeline or pipelines; and
  - (c) any other matter the AER considers relevant.
- (5) Before the AER gives the direction, it must consult on the proposed terms of the direction with the service provider and any other persons with whom it considers consultation appropriate.
- (6) A service provider must comply with a direction under this rule.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (7) A direction under this rule may be subject to such conditions as the AER thinks fit and includes in the direction.

## **Division 7                      Procedure for dealing with limited access arrangement proposal**

### **54                      Application of this Division**

This Division applies to a *limited access arrangement proposal*.

Exception:

This Division does not apply to an *access arrangement variation proposal* relating to a limited access arrangement if the proposal is approved by the AER under Division 10 as a proposal for a non-material variation.

### **55                      Decision on limited access arrangement proposal**

- (1) The AER must deal with a *limited access arrangement proposal* for a *light regulation pipeline* in accordance with the *expedited consultative procedure*.
- (2) However:
  - (a) at any time before the AER makes a final *decision* to approve a limited access arrangement, the service provider may withdraw the *access arrangement proposal*; and



- (b) the withdrawal terminates the administrative process for approval of the proposed limited access arrangement.
- (3) If the AER, in its final *decision* on a *limited access arrangement proposal* for a *light regulation pipeline*, approves the proposal, the access arrangement, or the revision or variation, to which the proposal relates, takes effect on a date fixed in the final *decision* or, if no date is so fixed, 10 business days after the date of the final *decision*.

**Note:**

In the case of an *access arrangement revision proposal*, this date may, but will not necessarily, be the revision commencement date fixed in the access arrangement.

- (4) A final *decision* on a *limited access arrangement proposal* for a *light regulation pipeline* must be made within 4 months after submission of the proposal for the AER's approval.
- (5) The time limit fixed by subrule (4) cannot be extended by more than a further 2 months.

## **Division 8                      Procedure for dealing with full access arrangement proposal**

### **56                      Application of this Division**

This Division applies to a *full access arrangement proposal*.

Exception:

This Division does not apply to an *access arrangement variation proposal* relating to a full access arrangement if the proposal is approved by the AER under Division 10 as a proposal for a non-material variation.

### **57                      [Deleted]**

### **58                      Notification of submission of full access arrangement proposal for approval**

- (1) As soon as practicable after receiving a *full access arrangement proposal*, or referring it (in the case of an *access arrangement variation proposal*) to be dealt with under this Division, the AER must publish a notice (an **initiating notice**) on its website:
  - (a) notifying receipt of the proposal; and
  - (b) describing the proposal and giving the address of a website at which the proposal can be inspected; and

- (c) inviting written submissions on the proposal by a date specified in the notice (which must fall at least 20 business days after the first publication of the notice).
- (2) The AER may, however, defer publication of an initiating notice for up to 30 business days after the submission of the *access arrangement proposal* if, on a preliminary examination of the proposal, the AER considers the proposal or the related *access arrangement information* deficient in some respect, and allows the service provider an opportunity to correct the deficiency.
- (3) A service provider may, with the AER's consent, revise a *full access arrangement proposal* even though an initiating notice has been published.

## 59 Access arrangement draft decision

- (1) After considering the submissions made within the time allowed in the initiating notice, and any other matters the AER considers relevant, the AER must make an access arrangement draft *decision*.
- (2) An access arrangement draft *decision* indicates whether the AER is prepared to approve the *access arrangement proposal* as submitted and, if not, the nature of the amendments that are required in order to make the proposal acceptable to the AER.

### Examples:

- 1. If the AER is not satisfied that the *access arrangement proposal* adequately describes the pipeline services offered, or to be offered, by the service provider, the *decision* might indicate the amendment or the nature of the amendment required to correct the deficiency.
- 2. If the AER is not satisfied that the *access arrangement proposal* designates as reference services all pipeline services that it considers should be specified as reference services under rule 47A, the *decision* might indicate that further or other pipeline services should be designated as reference services.
- 3. The *decision* might indicate that specified changes, or changes of a specified nature, should be made to a reference tariff.
- 4. The *decision* might indicate changes to queuing requirements, capacity trading requirements, or extension and expansion requirements needed to make the access arrangement acceptable to the AER.
- (3) If an access arrangement draft *decision* indicates that revision of the *access arrangement proposal* is necessary to make the proposal acceptable to the AER, the *decision* must fix a period (at least 30 business days) for revision of the proposal (the **revision period**).
- (4) An access arrangement draft *decision* must include a statement of the reasons for the *decision*.
- (5) When the AER makes an access arrangement draft *decision*, it must:
  - (a) give a copy of the *decision* to the service provider; and

- (b) publish the *decision* on the AER's website; and
- (c) publish on its website a notice:
  - (i) stating that an access arrangement draft *decision* has been made and giving a reference to a website at which the relevant *access arrangement proposal* and the relevant draft *decision* may be inspected; and
  - (ii) if a period has been allowed for revision of the proposal – specifying the revision period; and
  - (iii) inviting written submissions within the time allowed in the notice (which must be at least 20 business days from the end of the revision period).

## **60 Revision of access arrangement proposal in response to draft decision**

- (1) The service provider may, within the revision period, submit additions or other amendments to the *access arrangement proposal* to address matters raised in the access arrangement draft *decision*.
- (2) The amendments must be limited to those necessary to address matters raised in the access arrangement draft *decision* unless the AER approves further amendments.

### **Example:**

The AER might approve amendments to the *access arrangement proposal* to deal with a change in circumstances of the service provider's business since submission of the *access arrangement proposal*.

- (3) If the service provider submits amendments to the *access arrangement proposal*, the service provider must also provide the AER (together with the amendments) with a revised proposal incorporating the amendments.
- (4) As soon as practicable after receiving the revised *access arrangement proposal*, the AER must publish it on its website.

## **61 Hearing relating to access arrangement draft decision**

- (1) The AER may, on its own initiative or on request by any person, hold a hearing about an access arrangement draft *decision*.
- (2) A request for a hearing must:
  - (a) be made in writing within 10 business days after publication of the draft *decision*; and
  - (b) state the applicant's name and *contact details*; and

- (c) state the applicant's reasons for requesting a hearing.
- (3) If the AER refuses a request for a hearing, it must give the applicant written reasons for the refusal.

**Example:**

The AER might refuse the request on the ground that the applicant failed to make written submissions in response to the initiating notice or that the applicant's request does not disclose a sufficient reason for a hearing.

- (4) If the AER decides to hold a hearing (on request or on its own initiative), it must appoint a time and place for the hearing and give notice of the appointed time and place on its website.

## 62 Access arrangement final decision

- (1) After considering the submissions made in response to the access arrangement draft *decision* within the time allowed in the notice, and any other matters the AER considers relevant, the AER must make an access arrangement final *decision*.
- (2) An access arrangement final *decision* is a *decision* to approve, or to refuse to approve, an *access arrangement proposal*.
- (3) If the *access arrangement proposal* has been revised since its original submission, the access arrangement final *decision* relates to the proposal as revised.
- (4) An access arrangement final *decision* must include a statement of the reasons for the *decision*.
- (5) When the AER makes an access arrangement final *decision*, it must:
  - (a) give a copy of the *decision* to the service provider; and
  - (b) publish the *decision* on the AER's website.
- (6) If an access arrangement final *decision* approves an *access arrangement proposal*, the access arrangement, or the revision or variation, to which the *decision* relates, takes effect on a date fixed in the final *decision* or, if no date is so fixed, 10 business days after the date of the final *decision*.

**Note:**

In the case of an *access arrangement revision proposal*, this date may, but will not necessarily, be the revision commencement date fixed in the access arrangement.

- (7) An access arrangement final *decision* must be made within 8 months of the date of receipt of the *access arrangement proposal*.

- (8) The time limit fixed by subrule (7) cannot be extended by more than a further 2 months.

## **Division 9            Power of the AER to make and approve its own proposal for an arrangement or revisions to an access arrangement**

### **63            AER's power to make or revise access arrangement on failure by service provider to submit an access arrangement proposal**

- (1) If a service provider fails to submit an *access arrangement proposal* in one of the following cases, the AER must itself propose an access arrangement or revisions to the access arrangement (as the case requires) for the relevant pipeline.

Cases to which this subrule applies:

- (a) the service provider is required to submit an *access arrangement proposal* for a full access arrangement under section 132 of the *NGL* and rule 46, and fails to do so;
  - (b) the service provider is required to submit an *access arrangement revision proposal* under section 132 of the *NGL* and rule 52, and fails to do so.
- (2) The AER must make a *decision* giving effect to its proposal (or some modified version of its proposal resulting from the *decision* making process) within 6 months after the end of the period allowed for submission of an *access arrangement proposal* by the service provider.
- (3) In making a *decision* under subrule (2), the AER must:
- (a) if the proposal is, or relates to, a limited access arrangement – proceed in accordance with the *expedited consultative procedure*; or
  - (b) if the proposal is, or relates to, a full access arrangement – proceed in accordance with the *standard consultative procedure*.

### **64            AER's power to make or revise access arrangement on refusing to approve an access arrangement proposal**

- (1) If, in an access arrangement final *decision*, the AER refuses to approve an *access arrangement proposal* (other than a variation proposal), the AER must itself propose an access arrangement or revisions to the access arrangement (as the case requires) for the relevant pipeline.

Exception:

If the *access arrangement proposal* is for a limited access arrangement for an international pipeline to which a price regulation exemption applies, the AER may (but need not) exercise its powers under this rule. (See section 167(2) of the *NGL*)

- (2) The AER's proposal for an access arrangement or revisions is to be formulated with regard to:
  - (a) the matters that the *Law* requires an access arrangement to include; and
  - (b) the service provider's *access arrangement proposal*; and
  - (c) the AER's reasons for refusing to approve that proposal.
- (3) The AER may (but is not obliged to) consult on its proposal.
- (4) The AER must, within 2 months after the access arrangement final *decision*, make a *decision* giving effect to its proposal.
- (5) When the AER makes a *decision* under this rule, it must:
  - (a) give a copy of the *decision* to the service provider; and
  - (b) publish the *decision* on the AER's website.
- (6) The access arrangement or the revisions to which the *decision* relates takes effect on a date fixed in the determination or, if no date is so fixed, 10 business days after the date of the *decision*.

## **Division 10            Supplementary power to vary applicable access arrangement**

### **65            Application for variation of applicable access arrangement**

- (1) A service provider may submit for the AER's approval a proposal for variation of the applicable access arrangement (an *access arrangement variation proposal*).
- (2) An *access arrangement variation proposal* cannot, however, be submitted between a *review submission date* for the applicable access arrangement and the commencement of the new *access arrangement period*.
- (3) An *access arrangement variation proposal* must:
  - (a) be in writing; and
  - (b) state the variation sought and the reasons for it; and
  - (c) if the service provider considers the variation non-material – state that opinion and the reasons for it.

## **66 Preliminary assessment of access arrangement variation proposal**

- (1) Within 20 business days after receiving an *access arrangement variation proposal* from a service provider, the AER must decide whether or not it considers the variation non-material.
- (2) If the AER considers the variation non-material, the AER may, without consultation, approve the proposal.
- (3) If the AER does not consider the proposed variation non-material, the AER must refer the *access arrangement variation proposal* to be dealt with as a *limited access arrangement proposal* under Division 7 or a *full access arrangement proposal* under Division 8 (as the case requires).
- (4) If the service provider considers the proposed variation non-material and the AER disagrees with the service provider on that point, the AER must give the service provider written reasons for its contrary opinion.

## **67 Decision on access arrangement variation proposal**

A *decision* by the AER on an *access arrangement variation proposal* under this Division must:

- (a) be in writing; and
- (b) state the terms of the *decision* and the reasons for it; and
- (c) if the *decision* is to approve the variation as a non-material variation:
  - (i) set out the terms of the approved variation; and
  - (ii) state the commencement date of the variation; and
- (d) be given to the applicant service provider without delay; and
- (e) be published on the AER's website.

## **Division 11 AER's power to vary or revoke access arrangement**

### **68 AER may vary or revoke access arrangement**

- (1) The AER may vary or revoke an access arrangement during an *access arrangement period* if it appears to the AER that the determination is affected by a material error or deficiency of one or more of the following kinds:
  - (a) a clerical mistake or an accidental slip or omission;
  - (b) a miscalculation or misdescription;

- (c) a defect in form;
  - (d) a deficiency resulting from the provision of false or materially misleading information to the AER.
- (2) If the AER revokes an access arrangement under subrule (1), the AER must make a new access arrangement to apply for the remainder of the *access arrangement period* for which the revoked access arrangement was to apply.
- (3) A substituted access arrangement must not differ from the revoked access arrangement more than necessary to correct the relevant error or deficiency.
- (4) The AER may only vary an access arrangement, or revoke and substitute an access arrangement, under this rule if it has first consulted with the relevant service provider and any other persons with whom it considers consultation appropriate.



## Part 9 Price and revenue regulation

### Division 1 Preliminary

#### 69 Interpretation

In this Part:

**capital base**, in relation to a pipeline, means the capital value to be attributed, in accordance with this Part, to pipeline assets.

**capital expenditure** means costs and expenditure of a capital nature incurred to provide, or in providing, pipeline services.

**conforming capital expenditure** means capital expenditure that complies with the new capital expenditure criteria.

**depreciation** means depreciation of the capital base.

**new capital expenditure criteria** mean the criteria stated in rule 79.

**non-conforming capital expenditure** means capital expenditure that does not comply with the new capital expenditure criteria.

**operating expenditure** means operating, maintenance and other costs and expenditure of a non-capital nature incurred in providing pipeline services and includes expenditure incurred in increasing long-term demand for pipeline services and otherwise developing the market for pipeline services.

**pipeline assets**, in relation to a pipeline, means capital assets that constitute the pipeline or are otherwise used by the service provider to provide services.

**tariff class** means customers for one or more reference services who constitute a tariff class under a full access arrangement.

#### 70 Application of this Part

This Part applies only in respect of a full access arrangement (or a *full access arrangement proposal*).

#### 71 Assessment of compliance

- (1) In determining whether capital or operating expenditure is efficient and complies with other criteria prescribed by these rules, the AER may, without embarking on a detailed investigation, infer compliance from the operation of an incentive mechanism or on any other basis the AER considers appropriate.
- (2) The AER must, however, consider, and give appropriate weight to, submissions and comments received when the question whether a relevant *access arrangement proposal* should be approved is submitted for public consultation.

## Division 2      Access arrangement information relevant to price and revenue regulation

### 72      Specific requirements for access arrangement information relevant to price and revenue regulation

- (1) The *access arrangement information* for a *full access arrangement proposal* (other than an *access arrangement variation proposal*) must include the following:
  - (a) if the *access arrangement period* commences at the end of an earlier *access arrangement period*:
    - (i) capital expenditure (by asset class) over the earlier *access arrangement period*; and
    - (ii) operating expenditure (by category) over the earlier *access arrangement period*; and
    - (iii) usage of the pipeline over the earlier *access arrangement period* showing:
      - (A) for a distribution pipeline, minimum, maximum and average demand and, for a transmission pipeline, minimum, maximum and average demand for each *receipt or delivery point*; and
      - (B) for a distribution pipeline, customer numbers in total and by tariff class and, for a transmission pipeline, user numbers for each *receipt or delivery point*;
  - (b) how the capital base is arrived at and, if the *access arrangement period* commences at the end of an earlier *access arrangement period*, a demonstration of how the capital base increased or diminished over the previous *access arrangement period*;
  - (c) the projected capital base over the *access arrangement period*, including:
    - (i) a forecast of conforming capital expenditure for the period and the basis for the forecast; and
    - (ii) a forecast of depreciation for the period including a demonstration of how the forecast is derived on the basis of the proposed depreciation method;
  - (d) to the extent it is practicable to forecast pipeline capacity and utilisation of pipeline capacity over the *access arrangement period*, a forecast of pipeline capacity and utilisation of pipeline capacity over that period and the basis on which the forecast has been derived;
  - (e) a forecast of operating expenditure over the *access arrangement period* and the basis on which the forecast has been derived;

- (f) [Deleted];
  - (g) the *allowed rate of return* for each regulatory year of the *access arrangement period*;
  - (h) the estimated cost of corporate income tax calculated in accordance with rule 87A, including the *allowed imputation credits* referred to in that rule;
  - (i) if an incentive mechanism operated for the previous *access arrangement period*—the proposed carry-over of increments for efficiency gains or decrements for efficiency losses in the previous *access arrangement period* and a demonstration of how allowance is to be made for any such increments or decrements;
  - (j) the proposed approach to the setting of tariffs including:
    - (i) the suggested basis of reference tariffs, including the method used to allocate costs and a demonstration of the relationship between costs and tariffs; and
    - (ii) a description of any pricing principles employed but not otherwise disclosed under this rule;
  - (k) the service provider's rationale for any proposed *reference tariff variation mechanism*;
  - (l) the service provider's rationale for any proposed incentive mechanism;
  - (m) the total revenue to be derived from pipeline services for each regulatory year of the *access arrangement period*.
- (2) The *access arrangement information* for an *access arrangement variation proposal* related to a full access arrangement must include so much of the above information as is relevant to the proposal.
- (3) Where the AER has published financial models under rule 75A, the *access arrangement information* for a *full access arrangement proposal* must be provided using the financial models.

### **73 Basis on which financial information is to be provided**

- (1) Financial information must be provided on:
  - (a) a nominal basis; or
  - (b) a real basis; or
  - (c) some other recognised basis for dealing with the effects of inflation.
- (2) The basis on which financial information is provided must be stated in the *access arrangement information*.

- (3) All financial information must be provided, and all calculations made, on the same basis and using any applicable financial models published by the AER under these Rules.

## **74 Forecasts and estimates**

- (1) Information in the nature of a forecast or estimate must be supported by a statement of the basis of the forecast or estimate.
- (2) A forecast or estimate:
  - (a) must be arrived at on a reasonable basis; and
  - (b) must represent the best forecast or estimate possible in the circumstances.

## **75 Inferred or derivative information**

Information in the nature of an extrapolation or inference must be supported by the primary information on which the extrapolation or inference is based.

## **75A Preparation and amendment of financial models**

- (1) The AER may prepare and publish a revenue model and/or a capital base roll forward model (**financial models**) and if it does, must do so in accordance with this rule 75A and rule 75B.
- (2) If the AER publishes a financial model under this rule, a service provider must use the model in accordance with the requirements of these rules.
- (3) The AER may from time to time, in accordance with this rule 75A and rule 75B, amend or replace a financial model in accordance with these rules.
- (4) In preparing or amending a financial model, the AER must publish a notice on its website:
  - (a) describing the proposed model or amendments to the model (as the case may be), and giving the address of a website on which the details of the model or amendments, and the reasons for them, are published; and
  - (b) inviting written submissions on the proposed model or amendments to the model (as the case may be) within no less than 30 business days of the date of the notice.
- (5) The AER may publish such issues, consultation and discussion papers, and hold such conferences and information sessions, in relation to the proposed model or amendments to the model (as the case may be) as it considers appropriate.
- (6) Within 80 business days of publishing the notice referred to in subrule (4), and after considering relevant submissions made within the time allowed in the notice

and other matters the AER considers relevant, the AER must make its final *decision*.

- (7) The AER's final *decision* must:
  - (a) be in writing;
  - (b) state the terms of the *decision* and the reasons for it; and
  - (c) include a summary of each issue raised in submissions that the AER reasonably considers to be material, together with the AER's response to each issue.
- (8) The AER may extend the time within which it is required to make its final *decision* if:
  - (a) the consultation involves issues of unusual complexity or difficulty; or
  - (b) the extension of time has become necessary because of circumstances beyond the AER's control.
- (9) After making a final *decision*, the AER must, without delay, publish the final *decision* on its website.

## **75B Contents of the financial models**

- (1) A revenue model must set out the manner in which the service provider's total revenue is to be calculated.
- (2) The revenue model must include (but is not limited to):
  - (a) the revenue requirements of the service provider calculated in accordance with the building block approach in rule 76;
  - (b) the method that the AER determines is likely to result in the best estimates of expected inflation;
  - (c) the timing assumptions and associated discount rates that are to apply in relation to the calculation of the building blocks referred to in rule 76;
  - (d) the manner in which working capital is to be treated; and
  - (e) the manner in which the estimated cost of corporate income tax is to be calculated.
- (3) A capital base roll forward model must set out the AER's method for determining the roll forward of the capital base for a *full regulation pipeline*:
  - (a) from the immediately preceding *access arrangement period* to the beginning of the first regulatory year of the next *access arrangement period*,

so as to establish the value of the opening capital base as at the beginning of the first regulatory year of the next *access arrangement period*; and

- (b) from one year in an *access arrangement period* to the next regulatory year in that same *access arrangement period*, so as to establish the value of the capital base as at the beginning of the next regulatory year;

and under which the roll forward of the capital base from the immediately preceding *access arrangement period* to the beginning of the first regulatory year of the next *access arrangement period* is consistent with this Part 9.

## **Division 3            Building block approach**

### **76            Total revenue**

Total revenue is to be determined for each regulatory year of the *access arrangement period* using the building block approach in which the building blocks are:

- (a) a return on the projected capital base for the year (See Divisions 4 and 5); and
- (b) depreciation on the projected capital base for the year (See Division 6); and
- (c) the estimated cost of corporate income tax for the year (See Division 5A); and
- (d) increments or decrements for the year resulting from the operation of an incentive mechanism to encourage gains in efficiency (See Division 9); and
- (e) a forecast of operating expenditure for the year (See Division 7).

## **Division 4            The Capital base**

### **77            Opening capital base**

- (1) When a pipeline first becomes a covered pipeline, or the opening capital base for a pipeline is first calculated, the opening capital base is to be as follows:
  - (a) if the pipeline was commissioned before the commencement of these rules, the opening capital base is to be determined by reference to the relevant provisions of the Gas Code;
  - (b) if the pipeline was commissioned after the commencement of these rules, the opening capital base is to be:
    - (i) the cost of construction of the pipeline and pipeline assets incurred before commissioning of the pipeline (including the cost of acquiring easements and other interests in land necessary for the establishment and operation of the pipeline);

plus:

- (ii) the amount of capital expenditure since the commissioning of the pipeline;

less:

- (iii) depreciation; and
- (iv) the value of pipeline assets disposed of since the commissioning of the pipeline.

- (2) If an *access arrangement period* follows immediately on the conclusion of a preceding *access arrangement period*, the opening capital base for the later *access arrangement period* is to be:

- (a) the opening capital base as at the commencement of the earlier *access arrangement period* adjusted for any difference between estimated and actual capital expenditure included in that opening capital base. This adjustment must also remove any benefit or penalty associated with any difference between the estimated and actual capital expenditure;

plus:

- (b) conforming capital expenditure made, or to be made, during the earlier *access arrangement period*;

plus:

- (c) any amounts to be added to the capital base under rule 82, 84 or 86;

plus:

- (c1) in relation to any existing extension specified in the extension and expansion requirements in accordance with rule 104(2), the following value:

- (i) the cost of construction of the extension;

plus

- (ii) capital expenditure on the extension since construction of the extension;

less:

- (iii) depreciation of the extension since the date the extension was commissioned; and
- (iv) the value of pipeline assets constituting the extension disposed of since commissioning of the extension;

less:

- (d) depreciation over the earlier *access arrangement period* (to be calculated in accordance with any relevant provisions of the access arrangement governing the calculation of depreciation for the purpose of establishing the opening capital base); and

**Note:**

See rule 90.

- (e) redundant assets identified during the course of the earlier *access arrangement period*; and
  - (f) the value of pipeline assets disposed of during the earlier *access arrangement period*.
- (3) If a period intervenes between *access arrangement periods* during which the pipeline is not subject to a full access arrangement, the opening capital base for the later *access arrangement period* is to be:
- (a) the opening capital base determined in accordance with these rules for a notional access arrangement taking effect at the end of the *access arrangement period* for the last full access arrangement (the **relevant date**);
- plus:
- (b) the amount of capital expenditure since the relevant date;
- plus:
- (b1) in relation to any existing extension specified in the extension and expansion requirements in accordance with rule 104(2), the following value:
    - (i) the cost of construction of the extension;
- plus
- (ii) the amount of capital expenditure on the extension since construction of the extension;
- less:
- (iii) depreciation of the extension since the date the extension was commissioned; and
  - (iv) the value of pipeline assets constituting the extension disposed of since commissioning of the extension;
- less:
- (c) depreciation since the relevant date; and
  - (d) the value of pipeline assets disposed of since the relevant date.



## **78 Projected capital base**

The projected capital base for a particular period is:

- (a) the opening capital base;

plus:

- (b) forecast conforming capital expenditure for the period;

less:

- (c) forecast depreciation for the period; and
- (d) the forecast value of pipeline assets to be disposed of in the course of the period.

## **79 New capital expenditure criteria**

- (1) Conforming capital expenditure is capital expenditure that conforms with the following criteria:
  - (a) the capital expenditure must be such as would be incurred by a prudent service provider acting efficiently, in accordance with accepted good industry practice, to achieve the lowest sustainable cost of providing services; and
  - (b) the capital expenditure must be justifiable on a ground stated in subrule (2); and
  - (c) the capital expenditure must be for expenditure that is properly allocated in accordance with the requirements of subrule (6).
- (2) Capital expenditure is justifiable if:
  - (a) the overall economic value of the expenditure is positive; or
  - (b) the present value of the expected incremental revenue to be generated as a result of the expenditure exceeds the present value of the capital expenditure; or
  - (c) the capital expenditure is necessary:
    - (i) to maintain and improve the safety of services; or
    - (ii) to maintain the integrity of services; or
    - (iii) to comply with a regulatory obligation or requirement; or
    - (iv) to maintain the service provider's capacity to meet levels of demand for services existing at the time the capital expenditure is incurred (as

distinct from projected demand that is dependent on an expansion of pipeline capacity); or

- (d) the capital expenditure is an aggregate amount divisible into 2 parts, one referable to incremental services and the other referable to a purpose referred to in paragraph (c), and the former is justifiable under paragraph (b) and the latter under paragraph (c).
- (3) In deciding whether the overall economic value of capital expenditure is positive, consideration is to be given only to economic value directly accruing to the service provider, gas producers, users and end users.
- (4) In determining the present value of expected incremental revenue:
  - (a) a tariff will be assumed for incremental services based on (or extrapolated from) prevailing reference tariffs or an estimate of the reference tariffs that would have been set for comparable services if those services had been reference services; and
  - (b) incremental revenue will be taken to be the gross revenue to be derived from the incremental services less incremental operating expenditure for the incremental services; and
  - (c) a discount rate is to be used equal to the rate of return implicit in the reference tariff.
- (5) If capital expenditure made during an *access arrangement period* conforms, in part, with the criteria laid down in this rule, the capital expenditure is, to that extent, to be regarded as conforming capital expenditure.
- (6) Conforming capital expenditure that is included in an *access arrangement revision proposal* must be for expenditure that is allocated between:
  - (a) reference services;
  - (b) other services provided by means of the covered pipeline; and
  - (c) other services provided by means of uncovered parts (if any) of the pipeline,in accordance with rule 93.

## **80 AER's power to make advance determination with regard to future capital expenditure**

- (1) The AER may, on application by a service provider, make a determination to the effect that, if capital expenditure is made in accordance with proposals made by the service provider and specified in the determination, the expenditure will meet the new capital expenditure criteria.

- (2) The AER may (but is not required to) engage in public consultation before making a determination under subrule (1).
- (3) A determination under subrule (1) is binding on the AER but a *decision* not to make such a determination creates no presumption that future expenditure will not meet the relevant criteria.

## **81 Non-conforming capital expenditure**

A service provider may make, during an *access arrangement period*, capital expenditure that is, in whole or in part, non-conforming capital expenditure.

## **82 Capital contributions by users to new capital expenditure**

- (1) A user may make a capital contribution towards a service provider's capital expenditure.
- (2) Capital expenditure to which a user has contributed may, with the AER's approval, be rolled into the capital base for a pipeline but, subject to subrule (3), not to the extent of any such capital contribution.
- (3) The AER may approve the rolling of capital expenditure (including a capital contribution made by a user, or part of such a capital contribution) into the capital base for a pipeline on condition that the access arrangement contain a mechanism to prevent the service provider from benefiting, through increased revenue, from the user's contribution to the capital base.

## **83 Surcharges**

- (1) When the service provider makes non-conforming capital expenditure, it may notify the AER that it proposes to recover the amount, or part of the amount, of the expenditure by means of a surcharge.

### **Note:**

A surcharge may be proposed even where the non-conforming capital expenditure has been funded in whole or part by a user.

- (2) A surcharge is a charge, approved by the AER, in addition to a reference tariff (or other tariff):
  - (a) to be levied on users of incremental services; and
  - (b) designed to recover non-conforming capital expenditure or a specified portion of non-conforming capital expenditure.
- (3) To the extent that non-conforming capital expenditure is, or is to be, recovered by means of the surcharge, it can never be rolled into the capital base.

- (4) The AER must not approve a surcharge unless satisfied that the amount to be recovered from the surcharge does not exceed (in present value terms) the amount of the non-conforming capital expenditure that would be incurred by a prudent service provider acting efficiently, in accordance with accepted good industry practice, to achieve the lowest sustainable cost of providing services.
- (5) The AER may (but is not required to) engage in public consultation before approving a surcharge.
- (6) The AER's approval of a surcharge is binding on an arbitrator in an access dispute.

## 84 Speculative capital expenditure account

- (1) A full access arrangement may provide that the amount of non-conforming capital expenditure, to the extent that it is not to be recovered through a surcharge on users or a capital contribution, is to be added to a notional fund (the **speculative capital expenditure account**).
- (2) The balance of the speculative capital expenditure account must be adjusted annually by applying to the balance a rate that is the same as the *allowed rate of return* for the regulatory year in which the adjustment is made.
- (3) If at any time the type or volume of services changes so that capital expenditure that did not, when made, comply with the new capital expenditure criteria becomes compliant, the relevant portion of the speculative capital expenditure account (including the return referable to that portion of the account) is to be withdrawn from the account and rolled into the capital base as at the commencement of the next *access arrangement period*.

## 85 Capital redundancy

- (1) A full access arrangement may include (and the AER may require it to include) a mechanism to ensure that assets that cease to contribute in any way to the delivery of pipeline services (redundant assets) are removed from the capital base.
- (2) A reduction of the capital base in accordance with such a mechanism may only take effect from the commencement of the first *access arrangement period* to follow the inclusion of the mechanism in the access arrangement or the commencement of a later *access arrangement period*.
- (3) An applicable access arrangement may include a mechanism for sharing costs associated with a decline in demand for pipeline services between the service provider and users.
- (4) Before requiring or approving a mechanism under this rule, the AER must take into account the uncertainty such a mechanism would cause and the effect the uncertainty would have on the service provider, users and prospective users.

## 86 Re-use of redundant assets

- (1) Subject to the new capital expenditure criteria, if, after the reduction of the capital base by the value of assets identified as redundant, the assets later contribute to the delivery of pipeline services, the assets may be treated as new capital expenditure of an amount calculated by taking their value as at the time of their removal from the capital base and increasing it annually at the rate of return implicit in the reference tariff.
- (2) To the extent the new capital expenditure criteria allow, the amount arrived at under subrule (1) will be returned to the capital base in accordance with those criteria.

## Division 5 Rate of return

### 87 Rate of return

The return on the projected capital base for a service provider for a regulatory year of an *access arrangement period* for an applicable access arrangement (**RPCB<sub>t</sub>**) is to be calculated using the following formula:

$$\text{RPCB}_t = a_t \times v_t$$

where:

$a_t$  is the *allowed rate of return* for the regulatory year; and

$v_t$  is the value, as at the beginning of the regulatory year, of the projected capital base for the regulatory year (as established under rule 78 and subject to rule 82(3)).

## Division 5A

### 87A Estimated cost of corporate income tax

- (1) The estimated cost of corporate income tax of a service provider for each regulatory year of an *access arrangement period* (**ETC<sub>t</sub>**) is to be estimated in accordance with the following formula:

$$\text{ETC}_t = (\text{ETI}_t \times r_t) (1 - \gamma)$$

Where

$\text{ETI}_t$  is an estimate of the taxable income for that regulatory year that would be earned by a benchmark efficient entity as a result of the provision of reference services if such an entity, rather than the service provider, operated the business of the service provider;

$r_t$  is the expected statutory income tax rate for that regulatory year as determined by the AER; and

$\gamma$  is the *allowed imputation credits* for the regulatory year.

## **Division 6            Depreciation**

### **88            Depreciation schedule**

- (1) The depreciation schedule sets out the basis on which the pipeline assets constituting the capital base are to be depreciated for the purpose of determining a reference tariff.
- (2) The depreciation schedule may consist of a number of separate schedules, each relating to a particular asset or class of assets.

### **89            Depreciation criteria**

- (1) The depreciation schedule should be designed:
  - (a) so that reference tariffs will vary, over time, in a way that promotes efficient growth in the market for reference services; and
  - (b) so that each asset or group of assets is depreciated over the economic life of that asset or group of assets; and
  - (c) so as to allow, as far as reasonably practicable, for adjustment reflecting changes in the expected economic life of a particular asset, or a particular group of assets; and
  - (d) so that (subject to the rules about capital redundancy), an asset is depreciated only once (ie that the amount by which the asset is depreciated over its economic life does not exceed the value of the asset at the time of its inclusion in the capital base (adjusted, if the accounting method approved by the AER permits, for inflation)); and
  - (e) so as to allow for the service provider's reasonable needs for cash flow to meet financing, non-capital and other costs.
- (2) Compliance with subrule (1)(a) may involve deferral of a substantial proportion of the depreciation, particularly where:
  - (a) the present market for pipeline services is relatively immature; and
  - (b) the reference tariffs have been calculated on the assumption of significant market growth; and
  - (c) the pipeline has been designed and constructed so as to accommodate future growth in demand.

## **90 Calculation of depreciation for rolling forward capital base from one access arrangement period to the next**

- (1) A full access arrangement must contain provisions governing the calculation of depreciation for establishing the opening capital base for the next *access arrangement period* after the one to which the access arrangement currently relates.
- (2) The provisions must resolve whether depreciation of the capital base is to be based on forecast or actual capital expenditure.

## **Division 7 Operating expenditure**

### **91 Criteria governing operating expenditure**

- (1) Operating expenditure must be such as would be incurred by a prudent service provider acting efficiently, in accordance with accepted good industry practice, to achieve the lowest sustainable cost of delivering pipeline services.
- (2) The forecast of required operating expenditure of a pipeline service provider that is included in the full access arrangement must be for expenditure that is allocated between:
  - (a) reference services;
  - (b) other services provided by means of the covered pipeline; and
  - (c) other services provided by means of uncovered parts (if any) of the pipeline,in accordance with rule 93.

## **Division 8 Tariffs**

### **92 Revenue equalisation**

- (1) A full access arrangement must include a mechanism (a *reference tariff variation mechanism*) for variation of a reference tariff over the course of an *access arrangement period*.
- (2) Except to the extent that subrule (3) applies, the *reference tariff variation mechanism* must be designed to equalise (in terms of present values):
  - (a) forecast revenue from reference services for the *access arrangement period*; and
  - (b) the portion of total revenue allocated to reference services for the *access arrangement period*.

- (3) If there is an interval between a revision commencement date stated in a full access arrangement and the date on which revisions to the access arrangement actually commence (the **interval of delay**):
  - (a) reference tariffs, as in force at the end of the previous *access arrangement period*, must continue without variation for the interval of delay; but
  - (b) the operation of this subrule must be taken into account in fixing reference tariffs for the new *access arrangement period*, such that there may be an adjustment for any under-recovery or over-recovery by the service provider as a result of the continuation of reference tariffs from the previous *access arrangement period* during the interval of delay.
- (4) For the avoidance of doubt, once the revisions to an access arrangement actually commence the access arrangement period to which the revised access arrangement applies includes the interval of delay.

### 93 Allocation of total revenue and costs

- (1) Total revenue is to be allocated between reference and other services in the ratio in which costs are allocated between reference and other services.
- (2) Costs are to be allocated between reference and other services as follows:
  - (a) costs directly attributable to reference services are to be allocated to those services; and
  - (b) costs directly attributable to pipeline services that are not reference services are to be allocated to those services; and
  - (c) other costs are to be allocated between reference and other services on a basis (which must be consistent with the revenue and pricing principles) determined or approved by the AER.
- (3) The AER may, however, permit the allocation of the costs of rebateable services, in whole or part, to reference services if:
  - (a) the AER is satisfied that the service provider will apply an appropriate portion of the revenue generated from the sale of rebateable services to reduce the reference tariff in accordance with rule 97; and
  - (b) any other conditions determined by the AER are satisfied.
- (4) A pipeline service is a **rebateable service** if:
  - (a) the service is not a reference service; and
  - (b) substantial uncertainty exists concerning the extent of the demand for the service or of the revenue to be generated from the service.



## **94 Tariffs – distribution pipelines**

- (1) For the purpose of determining reference tariffs, customers for reference services provided by means of a distribution pipeline must be divided into tariff classes.
- (2) A tariff class must be constituted with regard to:
  - (a) the need to group customers for reference services together on an economically efficient basis; and
  - (b) the need to avoid unnecessary transaction costs.
- (3) For each tariff class, the revenue expected to be recovered should lie on or between:
  - (a) an upper bound representing the stand alone cost of providing the reference service to customers who belong to that class; and
  - (b) a lower bound representing the avoidable cost of not providing the reference service to those customers.
- (4) A tariff, and if it consists of 2 or more charging parameters, each charging parameter for a tariff class:
  - (a) must take into account the long run marginal cost for the reference service or, in the case of a charging parameter, for the element of the service to which the charging parameter relates;
  - (b) must be determined having regard to:
    - (i) transaction costs associated with the tariff or each charging parameter; and
    - (ii) whether customers belonging to the relevant tariff class are able or likely to respond to price signals.
- (5) If, however, as a result of the operation of subrule (4), the service provider may not recover the expected revenue, the tariffs must be adjusted to ensure recovery of expected revenue with minimum distortion to efficient patterns of consumption.

## **95 Tariffs – transmission pipelines**

- (1) A tariff for a reference service provided by means of a transmission pipeline must be designed:
  - (a) to generate from the provision of each reference service the portion of total revenue referable to that reference service; and
  - (b) as far as is practicable consistently with paragraph (a), to generate from the user, or the class of users, to which the reference service is provided, the

portion of total revenue referable to providing the reference service to the particular user or class of users.

- (2) The portion of total revenue referable to a particular reference service is determined as follows:
  - (a) costs directly attributable to each reference service are to be allocated to that service; and
  - (b) other costs attributable to reference services are to be allocated between them on a basis (which must be consistent with the revenue and pricing principles) determined or approved by the AER.
- (3) The portion of total revenue referable to providing a reference service to a particular user or class of users is determined as follows:
  - (a) costs directly attributable to supplying the user or class of users are to be allocated to the relevant user or class; and
  - (b) other costs are to be allocated between the user or class of users and other users or classes of users on a basis (which must be consistent with the revenue and pricing principles) determined or approved by the AER.

## 96 Prudent discounts

- (1) Despite the other provisions of this Division, the AER may, on application by a service provider, approve a discount for a particular user or prospective user or a particular class of users or prospective users.
- (2) The AER may only approve a discount under this rule if satisfied that:
  - (a) the discount is necessary to:
    - (i) respond to competition from other providers of pipeline services or other sources of energy; or
    - (ii) maintain efficient use of the pipeline; and
  - (b) the provision of the discount is likely to lead to reference or equivalent tariffs lower than they would otherwise have been.

### **Note:**

Even though a user's incremental load is retained at a discounted price, overall tariffs may be lower because of the user's contribution to fixed costs.

- (3) If the AER approves a discount under this rule, the AER may also approve allocation of the cost, or part of the cost, of providing the discount to the costs of providing a reference or other service in one or more future *access arrangement periods*.

- (4) In this rule:

**equivalent tariff** means the tariff that is likely to have been set for a service that is not a reference service if the service had been a reference service.

## 97 Mechanics of reference tariff variation

- (1) A *reference tariff variation mechanism* may provide for variation of a reference tariff:
- (a) in accordance with a schedule of fixed tariffs; or
  - (b) in accordance with a formula set out in the access arrangement; or
  - (c) as a result of a cost pass through for a defined event (such as a cost pass through for a particular tax); or
  - (c1) as a result of the application of a portion of the revenue generated from the sale of rebateable services to reduce the reference tariff as contemplated under rule 93(3); or
  - (d) by the combined operation of 2 or more or the above.
- (2) A formula for variation of a reference tariff may (for example) provide for:
- (a) variable caps on the revenue to be derived from a particular combination of reference services; or
  - (b) tariff basket price control; or
  - (c) revenue yield control; or
  - (d) a combination of all or any of the above.
- (3) In deciding whether a particular *reference tariff variation mechanism* is appropriate to a particular access arrangement, the AER must have regard to:
- (a) the need for efficient tariff structures; and
  - (b) the possible effects of the *reference tariff variation mechanism* on administrative costs of the AER, the service provider, and users or potential users; and
  - (c) the regulatory arrangements (if any) applicable to the relevant reference services before the commencement of the proposed *reference tariff variation mechanism*; and
  - (d) the desirability of consistency between regulatory arrangements for similar services (both within and beyond the relevant jurisdiction); and
  - (d1) the risk sharing arrangements implicit in the access arrangement; and

- (e) any other relevant factor.
- (4) A *reference tariff variation mechanism* must give the AER adequate oversight or powers of approval over variation of the reference tariff.
- (5) Except as provided by a *reference tariff variation mechanism*, a reference tariff is not to vary during the course of an *access arrangement period*.

## **Division 9            Incentive mechanisms**

### **98            Incentive mechanism**

- (1) A full access arrangement may include (and the AER may require it to include) one or more incentive mechanisms to encourage efficiency in the provision of services by the service provider.
- (2) An incentive mechanism may provide for carrying over increments for efficiency gains and decrements for losses of efficiency from one *access arrangement period* to the next.
- (3) An incentive mechanism must be consistent with the revenue and pricing principles.

## **Division 10          Fixed principles**

### **99            Fixed principles**

- (1) A full access arrangement may include a principle declared in the access arrangement to be fixed for a stated period.
- (2) A principle may be fixed for a period extending over 2 or more *access arrangement periods*.
- (3) A fixed principle approved before the commencement of these rules, or approved by the AER under these rules, is binding on the AER and the service provider for the period for which the principle is fixed.
- (4) However:
  - (a) the AER may vary or revoke a fixed principle at any time with the service provider's consent; and
  - (b) if a rule is inconsistent with a fixed principle, the rule operates to the exclusion of the fixed principle.

## **Part 10                      Other provisions of and concerning access arrangement**

### **Division 1                      General**

#### **100                      General requirement for consistency**

- (1) The provisions of an access arrangement must be consistent with:
  - (a) the national gas objective; and
  - (b) these rules and the Procedures as in force when the terms and conditions of the access arrangement are determined or revised.
- (2) In deciding whether the non-tariff terms and conditions of an access arrangement are appropriate, the AER must have regard to the risk-sharing arrangements implicit in the reference tariff.

#### **101                      [Deleted]**

#### **102                      Variable operation of access arrangement**

- (1) The operation of an applicable access arrangement may vary according to factors, or in accordance with a formula, stated in the arrangement.
- (2) A variation in the operation of an applicable access arrangement that is made, or occurs, in accordance with the provisions of the access arrangement, is not to be regarded as a variation of the access arrangement itself.

### **Division 2                      Specific provisions**

#### **103                      Queuing requirements**

- (1) An access arrangement must contain queuing requirements if:
  - (a) the access arrangement is for a transmission pipeline; or
  - (b) the access arrangement is for a distribution pipeline and the AER notifies the service provider that the access arrangement must contain queuing requirements.
- (2) If the AER gives a notification under subrule (1), the access arrangement must contain queuing requirements as from the commencement of the first *access arrangement period* to commence after the date of the notification (but this requirement lapses if the AER, by notice to the service provider, withdraws the notification).

- (3) Queuing requirements must establish a process or mechanism (or both) for establishing an order of priority between prospective users of spare or developable capacity (or both) in which all prospective users (whether associates of, or unrelated to, the service provider) are treated on a fair and equal basis.
- (4) Queuing requirements might (for example) provide that the order of priority is to be determined:
  - (a) on a first-come-first-served basis; or
  - (b) on the basis of a publicly notified auction in which all prospective users of the relevant spare capacity or developable capacity are able to participate.
- (5) Queuing requirements must be sufficiently detailed to enable prospective users:
  - (a) to understand the basis on which an order of priority between them has been, or will be, determined; and
  - (b) if an order of priority has been determined – to determine the prospective user's position in the queue.

## **104 Extension and expansion requirements**

- (1) Extension and expansion requirements may state whether the applicable access arrangement will apply to incremental services to be provided as a result of a particular extension to the pipeline made during the access arrangement period or may allow for later resolution of that question on a basis stated in the requirements.
- (2) Extension and expansion requirements may, if the service provider agrees, state that the applicable access arrangement will apply to incremental services to be provided as a result of a particular extension to the pipeline made before the revision commencement date for the applicable access arrangement.
- (3) Extension and expansion requirements must state that the applicable access arrangement will apply to incremental services to be provided as a result of any expansion to the capacity of the pipeline during the access arrangement period and deal with the effect of the expansion on tariffs.
- (4) Extension and expansion requirements included in a full access arrangement must, if they provide that an applicable access arrangement is to apply to incremental services provided as a result of an extension to the pipeline:
  - (a) in the case of extensions made before the revision commencement date for the applicable access arrangement deal with:
    - (i) the effect of the extension on the opening capital base under rule 77(2)(c1); and
    - (ii) the effect of the extension on the description of reference services specified in the *access arrangement proposal*; and

- (b) in all cases, deal with the effect of the extension on tariffs.
- (5) The extension and expansion requirements cannot require the service provider to provide funds for work involved in making an extension or expansion unless the service provider agrees.

## 105 Capacity trading requirements

- (1) Capacity trading requirements must provide for transfer of capacity:
  - (a) if the service provider is registered as a participant in a particular gas market – in accordance with rules or Procedures governing the relevant gas market; or
  - (b) if the service provider is not so registered, or the relevant rules or Procedures do not deal with capacity trading – in accordance with this rule.
- (2) A user may, without the service provider's consent, transfer, by way of subcontract, all or any of the user's contracted capacity to another (the **third party**) with the following consequences:
  - (a) the transferor's rights against, and obligations to, the service provider are (subject to paragraph (b)) unaffected by the transfer; but
  - (b) the transferor must immediately give notice to the service provider of:
    - (i) the subcontract and its likely duration; and
    - (ii) the identity of the third party; and
    - (iii) the amount of the contracted capacity transferred.
- (3) A user may, with the service provider's consent, transfer all or any of the user's contracted capacity to another (the **third party**) with the following consequences:
  - (a) the transferor's rights against, and obligations to, the service provider are terminated or modified in accordance with the capacity trading requirements; and
  - (b) a contract arises between the service provider and the third party on terms and conditions determined by or in accordance with the capacity trading requirements.
- (4) The service provider must not withhold its consent under subrule (3) unless it has reasonable grounds, based on technical or commercial considerations, for doing so.
- (5) An adjustment of rights and liabilities under subrule (3) does not affect rights or liabilities that had accrued under, or in relation to, the contract before the transfer took effect.

- (6) The capacity trading requirements may specify in advance conditions under which consent will or will not be given, and conditions to be complied with if consent is given.

## **106 Change of receipt or delivery point by user**

- (1) An access arrangement must provide for the change of a *receipt or delivery point* in accordance with the following principles:
  - (a) a user may, with the service provider's consent, change the user's *receipt or delivery point*;
  - (b) the service provider must not withhold its consent unless it has reasonable grounds, based on technical or commercial considerations, for doing so.
- (2) The access arrangement may specify in advance conditions under which consent will or will not be given, and conditions to be complied with if consent is given.



## **Part 11                      Facilitation of, and request for, access**

### **Division 1                      Obligations on scheme pipeline service providers**

#### **106A                      Inconsistency with access arrangement**

This Division 1 prevails over anything inconsistent in an applicable access arrangement.

#### **107                      Availability of applicable access arrangement and other information**

- (1) A *scheme pipeline service provider* must ensure that the applicable access arrangement is accessible on the service provider's website.
- (2) At the request of a prospective user, the AER may, by notice to a *scheme pipeline service provider*, require the service provider to provide specified information the prospective user reasonably requires to decide whether to seek access to a pipeline service provided by the service provider and, if so, how to go about applying for access.
- (2a) The AER may refuse to issue a notice under subrule (2) in respect of all or part of the requested information if, in the AER's reasonable opinion:
  - (a) the prospective user has not attempted to request the information from the *scheme pipeline service provider*;
  - (b) the prospective user has requested the information from the *scheme pipeline service provider* but the *scheme pipeline service provider* has not had sufficient time to respond to the prospective user;
  - (c) the information is otherwise already available to the prospective user; or
  - (d) the information is not reasonably required by the prospective user in order to:
    - (i) decide whether to seek access; or
    - (ii) apply for access,to a pipeline service provided by the service provider.
- (3) A notice under subrule (2) may require the provision of specified information to prospective users generally, prospective users of a particular class, or a particular prospective user.
- (4) The service provider must provide the required information (free of charge) to a prospective user:

- (a) within a time limit fixed by the AER in its notice; or
  - (b) if the notice does not fix a time limit – within 5 business days after the prospective user requests the information.
- (5) A copy of an applicable access arrangement, or information, may be provided:
- (a) by giving or sending it to the recipient in documentary form; or
  - (b) by faxing it to the recipient's fax address; or
  - (c) by transmitting it, in electronic form, to the recipient's email address.
- (6) A service provider incurs, by providing information required under this rule, no liability for breach of contract or breach of confidence or any other civil liability.

**Note:**

This rule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This rule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

## 108 Information about tariffs

- (1) A prospective user that reasonably requires the provision of a pipeline service that a *scheme pipeline service provider* is in a position to provide, but for which the service provider has published no tariff, may (by written request) ask the service provider:
- (a) to fix a tariff for the service; and
  - (b) to notify the prospective user of the tariff for the service.
- (2) A *scheme pipeline service provider* who is in a position to provide the service to which the request relates must, as soon as practicable after receiving a request from a prospective user for the tariff, inform the prospective user, in writing, of the relevant tariff.
- (3) A service provider is in a position to provide a particular service if it is commercially and technically feasible for the service provider to provide the service.

**Note:**

This rule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This rule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

## **109 Prohibition of bundling of services**

- (1) *A scheme pipeline service provider* must not make it a condition of the provision of a particular pipeline service to a prospective user that the prospective user accept another non-gratuitous service from the service provider unless the bundling of the services is reasonably necessary.
- (2) The description of pipeline services in an access arrangement must conform with this principle.

**Note:**

This rule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This rule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

## **110 Information to be provided by users about unutilised contracted capacity**

- (1) A user must, within 10 business days after receiving a request from any person for information about the user's unutilised contracted capacity (if any), provide the person with the following information:
  - (a) whether unutilised contracted capacity is, or is likely to become, available; and
  - (b) if so:
    - (i) the quantity of the unutilised contracted capacity that is, or is likely to become, available; and
    - (ii) the nature of the unutilised contracted capacity (ie whether it is firm or interruptible and whether it is forward or backhaul); and
    - (iii) when the unutilised contracted capacity will be, or is likely to become, available nominating, if possible, a specific date; and
    - (iv) the terms and conditions (which may include price) on which the user would be prepared to transfer the unutilised capacity; and
  - (c) whether technical or safety considerations might limit the utilisation of the user's unutilised contracted capacity and, if so, the nature of those considerations.

- (2) On providing information under subrule (1), a user must immediately notify the service provider of the provision of the information:
  - (a) stating the name and *contact details* of the person to whom the information was provided; and
  - (b) giving full details of the information provided.
- (3) A user incurs, by providing information under this rule, no liability for breach of contract or breach of confidence or any other civil liability.

**Note:**

This rule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This rule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

**111 [Deleted]**

**112 Requests for access**

- (1) A prospective user may request a *scheme pipeline service provider* to provide a pipeline service for the prospective user. For the purposes of this rule 112, the date that the prospective user's access request is received by the service provider is referred to as the "**access request date**".
- (2) The request must be made in writing and must:
  - (a) state the time or times when the pipeline service will be required and the capacity that is to be utilised; and
  - (b) identify the entry point where the user proposes to introduce natural gas to the pipeline or the exit point where the user proposes to take natural gas from the pipeline or, if the requested service is a haulage service, both entry and exit point; and
  - (c) state the relevant technical details (including the proposed gas specification) for the connection to the pipeline, and for ensuring safety and reliability of the supply of natural gas to, or from, the pipeline.
- (3) The service provider must:
  - (a) within 5 business days after the access request date, acknowledge receipt of the request; and
  - (b) within 10 business days after the access request date, inform the prospective user:
    - (i) that it is able to provide the requested pipeline service;

- (ii) that it needs to carry out further investigation to determine whether it can provide the requested pipeline service and provide the prospective user with a statement of the nature of the investigation and the reasonable costs of the investigation the prospective user would be required to meet; or
  - (iii) that it is unable to provide the requested pipeline service.
- (4) If the service provider is unable to provide the requested pipeline service, it must:
  - (a) provide the prospective user with written reasons explaining why the requested pipeline service cannot be provided; and
  - (b) if there is some prospect that it will become possible to provide the requested service at some time in the future – give details (which must be as specific as the circumstances reasonably allow) of when capacity to provide the requested service is likely to become available and, if possible, nominate a specific date.
- (5) If the service provider is able to provide the service, it must, within 25 business days of the access request date, provide the terms and conditions on which the service provider is prepared to provide the requested pipeline service (the **access proposal**).
- (6) If the service provider needs to carry out further investigation to determine whether it can provide the requested pipeline service and the prospective user agrees to the reasonable costs specified by the service provider under subrule 3(b)(ii), it must carry out the investigation and then, within 25 business days of the access request date, inform the prospective user:
  - (a) that it is able to provide the requested service; or
  - (b) that it is unable to provide the requested service.
- (7) If the service provider is unable to provide the requested pipeline service it must include in its notification under subrule (6) the information specified in subrule (4).
- (8) If the service provider is able to provide the service, it must, within 15 business days of providing the notice under subrule (6)(a), provide the terms and conditions on which the service provider is prepared to provide the requested pipeline service (the **access proposal**).
- (9) If the prospective user:
  - (a) wants to seek access to the pipeline service based on the access proposal provided by the service provider under subrules (5) or (8), it must notify the service provider within 15 business days of receiving the access proposal; or
  - (b) wants to request amendments to the access proposal provided by the service provider under subrules (5) or (8), it must notify the service provider within

15 business days of receiving the access proposal and provide its requested amendments.

- (10) Following the prospective user's response under subrule (9)(b), the service provider must respond within 15 business days. If the parties have not agreed on the service provider's proposal (or some negotiated modification of it) within a further 20 business days after the date of the service provider's response under this subrule, then the service provider is taken to have rejected the prospective user's request.
- (11) The timeframes specified in subrules (5) to (11) may be extended if the relevant service provider and prospective user agree in writing.

**Note:**

This rule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This rule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

## **Division 2                      Provision of information by full regulation distribution pipelines**

### **112A        Definitions and interpretation**

- (1) In this Division:

**access information standard** is defined in rule 112B.

**application date** means:

- (a) in relation to a pipeline that is a full regulation distribution pipeline on the commencement date – the date falling 3 months after the commencement date;
- (b) in relation to a pipeline that becomes a full regulation distribution pipeline within 3 months after the commencement date – the date falling 3 months after the commencement date; and
- (c) in relation to any other pipeline, the later of:
- (i) the date the pipeline is commissioned; and
  - (ii) the date the pipeline becomes a full regulation distribution pipeline.

**Note:**

Section 12 of the NGL defines when a pipeline is commissioned.

**business day** means a day that is not a Saturday, Sunday or public holiday in any participating jurisdiction or in relation to a pipeline in Western Australia that jurisdiction alone.

**commencement date** means 21 March 2019.

**daily flow data** means, for a large full regulation distribution pipeline:

- (a) the quantity of natural gas that is metered as having been, or estimated by the pipeline operator to have been, injected at each receipt point on the pipeline on a gas day; and
- (b) the quantity of natural gas that is metered as having been, or estimated by the pipeline operator to have been, withdrawn at each delivery point on the pipeline on the gas day.

**flow rate** means the rate at which gas flows past a point on a pipeline in an hour, expressed in GJ/hour.

**full regulation distribution pipeline** means a *full regulation pipeline* that is a distribution pipeline.

**hourly flow data** means, for a large full regulation distribution pipeline:

- (a) the quantity of natural gas that is metered as having been, or estimated by the pipeline operator to have been, injected at each receipt point on the pipeline in each hour of the gas day; and
- (b) the quantity of natural gas that is metered as having been, or estimated by the pipeline operator to have been, withdrawn at each delivery point on the pipeline in each hour of the gas day.

**information** includes data.

**large full regulation distribution pipeline** means a full regulation distribution pipeline or part of a full regulation distribution pipeline that has a maximum daily capacity under normal operating conditions of >10TJ/day and a maximum pressure capability under normal operating conditions of >4MPa.

**meter** means a device that measures and records quantities of gas by reference to volume, mass or energy content.

**pipeline information** is defined in rule 112D(2).

**pipeline service information** is defined in rule 112D(3).

**service and access information** is defined in rule 112D.

**service availability information** is defined in rule 112D(5).

**service provider** has the meaning in section 8 of the *NGL*.

**service usage information** is defined in rule 112D(4).

## **112B Access information standard**

- (1) A service provider required by rules 112C and 112D to prepare, publish and maintain information must do so in accordance with the access information standard.
- (2) The **access information standard** means that the information:
  - (a) is not false or misleading in a material particular;
  - (b) in relation to information of a technical nature, is prepared, published and maintained in accordance with the practices, methods and acts that would reasonably be expected from an experienced and competent person engaged in the ownership, operation or control of a pipeline in Australia acting with all due skill, diligence, prudence and foresight; and
  - (c) in relation to a forecast or estimate, is supported by a statement of the basis of the forecast or estimate and:
    - (i) is arrived at on a reasonable basis; and
    - (ii) represents the best forecast or estimate possible in the circumstances.
- (3) Where a service provider becomes aware that information required to be published by it under rules 112C and 112D does not comply with the access information standard or rules 112C and 112D, the service provider must publish information that does comply as soon as practicable after the service provider becomes aware of the non-compliance.
- (4) Information published under rules 112C and 112D must include the date of publication, the date to which the information is current and, if the information replaces an earlier version as provided for by subrule (3), notice of that fact.

## **112C Service provider for full regulation distribution pipelines must publish information**

- (1) A service provider for a full regulation distribution pipeline must prepare, maintain and publish on its website:
  - (a) the service and access information specified in rule 112D(1)(a) to (c);
  - (b) if the full regulation distribution pipeline is or includes a large full regulation distribution pipeline, then in respect of the large full regulation distribution pipeline only, the service and access information specified in rule 112D(1)(d),in accordance with the *NGL* and this Division.
- (2) The information referred to in subrule (1) must be published at the following times.



service and access information (for full regulation distribution pipeline only)	pipeline information	No later than 20 business days after the application date for the full regulation distribution pipeline.  Updated pipeline information must be published within 20 business days after there is a change.
	pipeline service information	No later than 20 business days after the application date for the full regulation distribution pipeline.  Updated pipeline service information must be published within 20 business days after a new pipeline service is added or an existing pipeline service changes or is withdrawn.
	service usage information	Each month after the application date for the full regulation distribution pipeline, by the last business day of the month for the prior month.
	service availability information	Each month after the application date for the full regulation distribution pipeline, by the last business day of the month for the next 36 or 12 months as applicable.

- (3) A service provider for a full regulation distribution pipeline must publish the information referred to in subrule (1) by making the information publicly available on the service provider's website.
- (4) A service provider for a full regulation distribution pipeline must ensure that historical service usage information for its full regulation distribution pipeline continues to be publicly available for a period of 5 years after the date the information is first published, by publishing the information in accordance with subrule (3).

## **112D Service and access information for full regulation distribution pipelines**

- (1) The service and access information comprises:
  - (a) the pipeline information described in subrule (2);
  - (b) the pipeline service information described in subrule (3);
  - (c) the service usage information described in subrule (4)(a);
  - (d) for large distribution pipelines only, the service usage information described in subrule (4)(b); and
  - (e) for large full regulation distribution pipelines only, the service availability information described in subrule (5).
- (2) The pipeline information in respect of a full regulation distribution pipeline, comprises:
  - (a) subject to subrule (6), the quantity of natural gas that can be transported through each gate station on the distribution pipeline in any 24 hour period;
  - (b) the details of all points on the pipeline where the service provider takes delivery of natural gas; and
  - (c) a schematic map of the pipeline that shows the location on the pipeline of the points referred to in paragraph (b) and the geographic limits of the areas served by the pipeline;
  - (d) any technical or physical characteristics of the pipeline that may affect access to or use of the pipeline or the price for pipeline services on the pipeline; and
  - (e) policies of the service provider that may affect access to or use of the pipeline or the price for pipeline services on the pipeline which may include:
    - (i) queuing requirements;
    - (ii) a receipt or delivery point change policy;
    - (iii) a metering and measurement policy; and
    - (iv) a balancing policy.
- (3) The pipeline service information for a full regulation distribution pipeline comprises a list of the pipeline services available on the pipeline and for each pipeline service a description of the service having regard to the following characteristics:

- (a) the service type (for example, forward haul, backhaul, connection, park and loan);
  - (b) the priority of the service relative to other pipeline services of the same type; and
  - (c) the receipt and delivery points.
- (4) The service usage information for a full regulation distribution pipeline for a month comprises:
  - (a) the total quantity of natural gas metered as having been injected into the pipeline during the month or, where metering data is not available, estimated to have been injected into the pipeline during the month; and
  - (b) subject to subrule (6), for a large full regulation distribution pipeline, the following information for each entry and exit point on the large distribution pipeline that is owned, operated or controlled by the service provider or for which the service provider holds the information:
    - (i) daily flow data;
    - (ii) where a meter is installed at the relevant entry or exit point, hourly flow data;
    - (iii) minimum inlet and minimum outlet pressures over each hour; and
    - (iv) a static table or chart showing the maximum flow rate of the entry or exit point against pressure.
- (5) The service availability information for a large distribution pipeline for a month comprises:
  - (a) an outlook of the firm capacity of the pipeline that the service provider has available for sale or that it will have available for sale for each month in the following 36 month period;
  - (b) information about matters expected to affect the capacity of the pipeline (including any planned expansions of the capacity) for each month in the following 12 month period, including:
    - (i) the expected start and end dates of the matters expected to affect the capacity of the pipeline;
    - (ii) a description of the matters expected to affect the capacity of the pipeline; and
    - (iii) the expected capacity of the pipeline during the period it is affected by the matters referred to in paragraphs (i) and (ii);

- (c) information on any other limitations on the availability of the pipeline services identified in the pipeline service information for each month in the following 12 month period.
- (6) The service and access information for a pipeline does not include:
  - (a) the information specified in subrule (2)(a) if the nameplate rating for the relevant gate station is provided to AEMO by a BB reporting entity (as defined in Part 18) under rule 168.
  - (b) the information specified in subrule (4)(b) if the relevant entry point is a gate station and daily flow data for that gate station is reported to AEMO by a BB reporting entity (as defined in Part 18) under rule 187.

## Part 12 Access disputes

### Division 1 Preliminary

#### 113 Interpretation

In this Part:

**expert safety report** means a report by an independent expert on whether the provision of a requested pipeline service would be unsafe;

**safety of operation notification** means a notification by a service provider to a prospective user that the service provider believes the provision of a pipeline service requested by the prospective user would be unsafe;

**submissions lodgement date** means a date fixed by the relevant dispute resolution body and notified to the parties to an access dispute, as the date by which initial submissions in the access dispute must be lodged.

**unsafe** – the provision of a pipeline service is unsafe if it is not reasonably possible for the service provider to provide it consistently with:

- (a) the safe operation of the relevant pipeline; or
- (b) prudent pipeline practices in the gas industry.

### Division 2 Safety of operation notification

#### 114 Safety of operation notification

- (1) If a service provider refuses to provide a requested pipeline service and an access dispute arises in consequence of the refusal, the service provider may, on or before the submissions lodgement date, give a safety of operation notification.
- (2) A safety of operation notification is given (and may be withdrawn) by notice to the relevant dispute resolution body and the other parties to the dispute.
- (3) A safety of operation notification must set out the grounds on which the notification is based, including a statement of any facts and assumptions relevant to those grounds.

#### 115 Expert safety report

- (1) When a service provider gives a safety of operation notification, it must submit the name of an independent expert who might be engaged to provide an expert safety report.

- (2) The relevant dispute resolution body may approve the person nominated by the service provider or some other person as the independent expert to provide an expert safety report.
- (3) The service provider must, on receiving notice of the approval, immediately engage the independent expert approved by the relevant dispute resolution body to provide an expert safety report on the requested pipeline service to which the access dispute relates.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (4) In carrying out the investigations necessary for the expert safety report, the approved independent expert must have regard to all relevant statutory or regulatory requirements or restrictions (including those imposed under the conditions of a licence).
- (5) When the independent expert provides the service provider with the expert safety report, the service provider must immediately give copies of the report to the relevant dispute resolution body and the other parties to the dispute.

## **116 Access determination**

In proceedings for the resolution of the access dispute, the relevant dispute resolution body is bound by the findings of an approved independent expert in an expert safety report.

## **Division 3 Access determinations**

### **117 Past capital contributions (Section 190 of the NGL)**

In proceedings for the resolution of an access dispute, the relevant dispute resolution body must (where relevant) take into account:

- (a) the value of any past capital contribution made by a party to the dispute; and
- (b) the extent the party has re-couped any such past capital contribution.

### **118 Access determination requiring expansion of capacity (Section 191 of the NGL)**

- (1) An access determination:
  - (a) may require the service provider to carry out an expansion of the capacity of the access dispute pipeline; but
  - (b) may not require the service provider to extend the geographical range of the access dispute pipeline.

- (2) However:
  - (a) the service provider cannot be required to carry out an expansion of the capacity of a *light regulation pipeline* unless the prospective user funds the capacity expansion in its entirety; and
  - (b) the service provider cannot be required to fund, in whole or part, an expansion of the capacity of a *full regulation pipeline* unless the extension and expansion requirements of the applicable access arrangement provide for the relevant funding; and
  - (c) an expansion of capacity required under an access determination must be:
    - (i) technically and economically feasible; and
    - (ii) consistent with the safe and reliable operation of the pipeline.
- (3) A user or prospective user acquires no interest in a pipeline by funding an expansion of capacity of the pipeline in accordance with an access determination unless the service provider agrees.

**119 Variation of applicable access arrangement to accommodate capacity expansion (Section 191 of the NGL)**

- (1) This rule applies if an access determination:
  - (a) requires a service provider to expand the capacity of the access dispute pipeline; and
  - (b) requires a prospective user of incremental capacity to contribute some or all the cost.
- (2) The access determination may make consequential amendments to the applicable access arrangement.
- (3) The consequential amendments must provide for one or more of the following:
  - (a) a mechanism to roll some or all the capital costs of the expansion into the capital base;
  - (b) consequential adjustments to reference tariffs;
  - (c) a surcharge to be levied on users of incremental services;
  - (d) the establishment of a speculative capital expenditure account and regulation of its operation.
- (4) The access determination (and the consequential amendments to the access arrangement) must set out the terms and conditions of access for a prospective user of incremental capacity who is to contribute some or all the cost of the capacity expansion.

- (5) The terms and conditions of access for any such prospective user must reflect the value to the service provider of the capital contribution made by the prospective user.



## Part 12A Gas connection for retail customers

### Division 1 Definitions

#### 119A Definitions

In this Part:

**basic connection service** means a service involved in providing a connection between a distribution pipeline and a *retail customer's* premises where:

- (a) the provision of the service involves minimal or no extension to, or augmentation of, the distribution pipeline; and
- (b) a model standing offer has been approved by the AER for providing that service as a basic connection service.

**connection** means a physical link between a distribution pipeline and a *retail customer's* premises to allow the flow of natural gas.

**connection alteration** means an alteration to an existing connection including an addition, upgrade, extension, expansion, augmentation or any other kind of alteration.

**connection applicant** means an applicant for a connection service of 1 of the following categories:

- (a) *retail customer*;
- (b) *retailer* or other person acting on behalf of a *retail customer*;
- (c) real estate developer.

**connection application** means an application under rule 119R.

**connection assets** means the components of a distribution pipeline which are used to provide connection services.

**connection charge** means a charge imposed by a *distributor* for a connection service.

**connection charges criteria** – see rule 119M.

**connection contract** means a contract formed by the making and acceptance of a connection offer.

**connection offer** means an offer by a *distributor* to enter into a connection contract with:

- (a) a *retail customer*; or

- (b) a real estate developer.

**connection service** means either or both of the following:

- (a) a service relating to a new connection for premises;
- (b) a service relating to a connection alteration for premises.

**contestable** – a service is contestable if the *laws* of the participating jurisdiction in which the service is to be provided permit the service to be provided by more than one supplier as a contestable service or on a competitive basis.

**customer connection contract** – see section 67 of the *NERL*.

**distribution pipeline** means:

- (a) a covered pipeline classified under the *NGL* as a distribution pipeline; or
- (b) an uncovered pipeline for which a nominated *distributor* has been nominated to provide customer connection services.

**distributor** means:

- (a) for a distribution pipeline that is a covered pipeline – a service provider within the meaning of the *Law* who owns, operates or controls the pipeline; or
- (b) for a distribution pipeline that is an uncovered pipeline – a nominated *distributor* nominated to provide customer connection services in respect of the pipeline.

**enquiry** means a preliminary enquiry under rule 119Q.

**model standing offer** means a document approved by the AER as a model standing offer to provide basic connection services (see rule 119D) or as a model standing offer to provide standard connection services (see rule 119F).

**negotiated connection contract**—see rule 119I.

**new connection** means a connection established or to be established, in accordance with this Part and applicable *energy laws*, where there is no existing connection.

**nominated distributor** – see section 8A of the *NGL*.

**real estate developer** means a person who carries out a real estate development.

**real estate development** means the commercial development of land including its development in 1 or more of the following ways:

- (a) subdivision;
- (b) the construction of commercial or industrial premises (or both);

- (c) the construction of multiple new residential premises.

**standard connection service** means a connection service (other than a basic connection service) for a particular class of connection applicant and for which a model standing offer has been approved by the AER.

**supply service** means a service (other than a connection service) relating to the supply of natural gas.

## **Division 2            Standardised offers to provide basic and standard connection services**

### **Subdivision 1        Basic connection services**

#### **119B        Obligation to have model standing offer to provide basic connection services**

- (1) A *distributor* must have a model standing offer to provide a basic connection service to *retail customers*.
- (2) A model standing offer may relate to all basic connection services available from the *distributor* or a particular class of basic connection services.
- (3) Basic connection services may be divided into classes if there is significant demand for each class of basic connection services within the area *served* by the relevant distribution pipeline.

#### **119C        Proposed model standing offer for basic connection services**

- (1) A *distributor* must submit for the AER's approval a proposed model standing offer to provide a basic connection service, or basic connection services of a particular class, on specified terms and conditions.
- (2) The terms and conditions of the model standing offer must cover:
  - (a) a description of the connection; and
  - (b) timeframes for commencing and completing the work; and
  - (c) the qualifications required for carrying out the work involved in providing a contestable service (including reference to the jurisdictional or other legislation and statutory instruments under which the qualifications are required); and
  - (d) the safety and technical requirements (including reference to the jurisdictional or other legislation and statutory instruments under which the requirements are imposed) to be complied with by the provider of a contestable service or the *retail customer* (or both); and

- (e) details of the connection charges (or the basis on which they will be calculated); and
  - (f) the manner in which connection charges are to be paid by the *retail customer*.
- (3) The *distributor* must submit to the AER, with its proposed model standing offer:
- (a) a declaration that the *distributor* considers its proposed connection charges to be consistent with the connection charges criteria; and
  - (b) details of the basis on which the *distributor* has applied the connection charges criteria, including details of any assumption made for the purposes of applying those criteria.

### **119D Approval of terms and conditions of model standing offer to provide basic connection services**

- (1) The AER may approve a proposed model standing offer to provide a basic connection service, or basic connection service of a particular class, on specified terms and conditions if satisfied that:
- (a) the service, or class of services, is likely to be sought by a significant number of *retail customers* in the area *served* by the distribution pipeline; and
  - (b) the connection charges are consistent with the connection charges criteria; and
  - (c) the terms and conditions are fair and reasonable; and
  - (d) the terms and conditions comply with applicable requirements of the *energy laws*.
- (2) In deciding whether to approve a model standing offer to provide a basic connection service, or basic connection services of a particular class, on specified terms and conditions, the AER must have regard to:
- (a) the national gas objective; and
  - (b) the basis on which the *distributor* has provided the relevant service, or services, in the past; and
  - (c) the geographical characteristics of the area *served* by the relevant distribution pipeline.
- (3) If the AER does not approve a proposed model standing offer to provide a basic connection service, or basic connection services of a particular class, on specified terms and conditions:
- (a) the AER must give the *distributor* written reasons for its *decision*; and

- (b) the *distributor* must re-submit the proposed model standing offer with appropriate amendments as soon as reasonably practicable.
- (4) The AER must deal expeditiously with a proposed model standing offer to provide a basic connection service or a class of basic connection services.

## **Subdivision 2      Standard connection services**

### **119E      Standard connection services**

- (1) A *distributor* may submit for the AER's approval a proposed model standing offer to provide standard connection services on specified terms and conditions.
- (2) Different sets of terms and conditions may be submitted under this rule for different classes of connection services or different classes of *retail customer*.
- (3) The terms and conditions must cover:
  - (a) a description of the connection; and
  - (b) timeframes for commencing and completing the work; and
  - (c) the qualifications required for carrying out contestable work involved in providing the connection service (including reference to the jurisdictional or other legislation and statutory instruments under which the qualifications are required); and
  - (d) the safety and technical requirements (including reference to the jurisdictional or other legislation and statutory instruments under which the requirements are imposed) to be complied with by the provider of a contestable service or the *retail customer* (or both); and
  - (e) details of the connection charges or the basis on which they will be calculated; and
  - (f) the manner in which connection charges are to be paid by the *retail customer*.
- (4) The *distributor* must submit to the AER, with its proposed model standing offer:
  - (a) a declaration that the *distributor* considers its proposed connection charges to be consistent with the connection charges criteria; and
  - (b) details of the basis on which the *distributor* has applied the connection charges criteria, including details of any assumption made for the purposes of applying those criteria.

## **119F Approval of model standing offer to provide standard connection services**

- (1) The AER may approve a proposed model standing offer to provide standard connection services on specified terms and conditions if satisfied that:
  - (a) the connection charges are consistent with the connection charges criteria; and
  - (b) the terms and conditions are fair and reasonable; and
  - (c) the terms and conditions comply with applicable requirements of the *energy laws*.
- (2) In deciding whether to approve a proposed model standing offer to provide standard connection services on specified terms and conditions, the AER must have regard to the national gas objective.
- (3) If the AER does not approve a proposed model standing offer to provide standard connection services on specified terms and conditions:
  - (a) the AER must give the *distributor* written reasons for its *decision*; and
  - (b) the *distributor* may re-submit the proposed standing offer with appropriate amendments.
- (4) The AER must deal expeditiously with a proposed model standing offer to provide standard connection services.

## **Subdivision 3 Miscellaneous**

### **119G Amendment etc of model standing offer**

- (1) A *distributor* may submit, for the AER's approval, a proposal:
  - (a) for the amendment or substitution of a model standing offer to provide a basic connection service; or
  - (b) for the amendment, substitution or revocation of a model standing offer to provide standard connection services.
- (2) In deciding whether to approve a proposal submitted for its approval under this rule, the AER must, so far as relevant, apply the same principles and have regard to the same matters as are relevant to the approval of a model standing offer to provide a basic connection service or a standard connection service.
- (3) The amendment, substitution or revocation of a model standing offer takes effect on the date of the AER's approval or a later date fixed by the AER in its approval.

- (4) If the AER does not approve a proposal submitted under subrule (1):
  - (a) the AER must give the *distributor* written reasons for its *decision*; and
  - (b) the *distributor* may re-submit the proposal with appropriate amendments.
- (5) The amendment, substitution or revocation of a model standing offer does not affect the validity or effect of:
  - (a) a connection offer made before the amendment, substitution or revocation takes effect; or
  - (b) a connection contract formed on the basis of such a connection offer.
- (6) The AER must deal expeditiously with a proposal for the amendment, substitution or revocation of a model standing offer.

### **119H Publication of model standing offers**

A *distributor* must publish, on its website, each of its approved model standing offers to provide a basic connection service or a standard connection service.

## **Division 3 Negotiated connection**

### **119I Negotiation of connection**

- (1) A connection applicant and a *distributor* may negotiate a connection contract (a **negotiated connection contract**):
  - (a) where the connection service sought by the connection applicant is neither a basic connection service nor a standard connection service; or
  - (b) where the connection service sought by the connection applicant is a basic connection service or a standard connection service but the connection applicant elects to negotiate the terms and conditions on which the connection service is to be provided.
- (2) The negotiations may, if the connection applicant elects, extend to supply services available from the *distributor*.
- (3) This Division sets out the requirements for negotiation referred to in the *NERL*.
- (4) When reading this Division in the context of the *NERL*:
  - (a) a reference to a connection applicant in this Division corresponds to a reference to a customer in the *NERL*; and
  - (b) this Division will be read subject to any further adaptations and modifications necessary to give effect to the intendment of the *NERL*.

## 119J Process of negotiation

A *distributor* and a connection applicant for a negotiated connection contract must negotiate in accordance with the negotiation framework set out in rule 119K.

## 119K Negotiation framework

- (1) The following rules (collectively described as the **negotiation framework**) govern negotiations between a *distributor* and a connection applicant:

- (a) each party must negotiate in good faith;
- (b) the connection applicant must, at the request of the *distributor*, provide the *distributor* with information it reasonably requires in order to negotiate on an informed basis;

### Note

The information might (for example) include estimates of average and maximum demand for natural gas to be supplied through the connection.

- (c) the *distributor* must provide the connection applicant with information the connection applicant reasonably requires in order to negotiate on an informed basis including:
  - (i) an estimate of the amount to be charged by the *distributor* for assessment of the application and the making of a connection offer for a negotiated connection contract; and
  - (ii) an estimate of connection charges; and
  - (iii) a statement of the basis on which connection charges are calculated (which must be consistent with the connection charges criteria); and
  - (iv) a statement of the assumptions made by the *distributor* in applying the connection charges criteria; and
  - (v) if the connection applicant has elected to extend the negotiations to cover supply services—an estimate of any applicable charges for supply services and a statement of the basis of their calculation;

### Note

The *distributor* might, according to the circumstances of a particular case, need to provide further information to ensure the connection applicant is properly informed – for example, information about:

technical and safety requirements;

the types of connection that are technically feasible;

the capacity of the distribution pipeline at the proposed connection point;

possible strategies to reduce the cost of the connection.



- (d) the *distributor* may consult with other users of the distribution pipeline who may be adversely affected by the proposed new connection or connection alteration;
- (e) in assessing the application, the *distributor* must determine:
  - (i) the technical requirements for the proposed new connection or connection alteration; and
  - (ii) the extent and costs of any necessary augmentation or extension; and
  - (iii) any possible material effect of the proposed connection or connection alteration on the capacity of the distribution pipeline (and any other distribution pipeline that might be affected) to meet existing and future demand;
- (f) the *distributor* must make reasonable endeavours to make a connection offer that complies with the connection applicant's reasonable requirements.

**Example**

Reasonable requirements as to the location of the proposed connection point.

- (2) The following supplementary rules apply:
  - (a) if a *distributor* requires information from a connection applicant in addition to the information provided in the application, a request for the additional information under subrule (1)(b) must (if practicable) be made within 20 business days after the *distributor* receives the relevant application;
  - (b) the *distributor* must provide the information required under subrule (1)(c) as soon as practicable after the *distributor* receives the connection applicant's application or, if the *distributor* requests additional information under subrule (1)(b), as soon as practicable after the *distributor* receives the relevant information.
- (3) Each party to the negotiations must maintain the confidentiality of confidential information disclosed by the other party in the course of the negotiations unless disclosure of the information is authorised:
  - (a) by the party to whom the duty of confidentiality is owed; or
  - (b) under:
    - (i) the *Law*; or
    - (ii) any other *law*.

**119L Fee to cover cost of negotiation**

- (1) A *distributor* may charge a connection applicant for a negotiated connection contract a reasonable fee to cover expenses directly and reasonably incurred by

the *distributor* in assessing the connection applicant's application and making a connection offer.

- (2) A fee charged under subrule (1) is recoverable as a debt (whether or not the connection applicant accepts the connection offer).
- (3) To the extent the *distributor's* costs are reimbursed by a fee charged under subrule (1), the fee is not to be treated as operating expenditure for the purpose of Rule 76.

## **Division 4            Connection charges**

### **119M      Connection charges criteria**

- (1) Connection charges (or the method for calculating connection charges) for a particular connection service must be consistent with the following criteria (the **connection charges criteria**):
  - (a) if the present value of the expected incremental revenue to be generated as a result of the *distributor's* capital expenditure for the relevant connection assets exceeds the present value of that capital expenditure, no connection charge may be imposed; and
  - (b) if paragraph (a) does not prevent the imposition of a connection charge, the connection charge must not exceed the amount by which the present value of the capital expenditure exceeds the present value of the expected incremental revenue.
- (2) For the purpose of applying the connection charges criteria:
  - (a) in determining the present value of expected incremental revenue, the requirements of rule 79(4) apply;
  - (b) the relevant connection assets are taken to include any augmentation of the distribution pipeline required to accommodate the new connection or connection alteration;
  - (c) if the *distributor's* applicable access arrangement requires the use of assumptions about any 1 or more of the following matters:
    - (i) the connection assets required;
    - (ii) the discount rate;
    - (iii) the expected life of the connection;
    - (iv) the incremental cost of purchasing and installing the connection assets;
    - (v) the expected gas consumption and the tariffs applicable to supply services relating to the connection;

- (vi) the expected incremental operating and maintenance costs;

the assumptions must be consistent with relevant provisions of the *distributor's* applicable access arrangement.

## **119N Nature of connection charges**

The component of a connection charge that recovers capital expenditure paid to a *distributor* by or on behalf of a *retail customer* is taken to be a capital contribution for the purposes of rule 82.

## **119O Payment of connection charges**

- (1) Connection charges payable in respect of a connection service must be paid to the *distributor* by the *retail customer's retailer* unless:
  - (a) the *retailer* did not apply for the connection service under Division 5, Subdivision 3 and the *distributor* has notified the *retail customer* that the customer must pay the connection charge directly; or
  - (b) the *retail customer* asks to pay the connection charge directly and the *distributor* agrees; or
  - (c) the *distributor* and the *retailer* agree that the *distributor* is to recover the connection charge from the *retail customer*.
- (2) If the *retail customer* pays, or is required to pay, a connection charge under subrule (1), the *distributor* must not recover that charge from the customer's *retailer*.
- (3) The *distributor* must separately identify each connection charge on its statement or invoice to the *retailer*.

### **Note**

Rule 25 of the *National Energy Retail Rules* requires the listing of connection charges that are passed through by a *retailer* to a *retail customer* in the customer's bill.

## **Division 5 Application for connection service**

### **Subdivision 1 Information**

## **119P Publication of information**

A *distributor* must publish on its website the following:

- (a) an application form for a new connection or connection alteration; and

- (b) a description of how an application for a new connection or connection alteration is to be made (including a statement of the information required for a connection application); and
- (c) a description of the *distributor's* basic connection service and standard connection services and the classes of *retail customer* to which they apply; and
- (d) an explanation of the connection applicant's right to negotiate with the *distributor* for a negotiated connection contract and a description of the negotiation process; and
- (e) the requirements for an expedited connection; and
- (f) the basis for calculating connection charges.

## **Subdivision 2 Preliminary enquiry**

### **119Q Preliminary enquiry**

- (1) A *distributor* must, within 5 business days after receiving an enquiry about a connection service (or some other period agreed between the *distributor* and the enquirer), provide the enquirer with the information required to make an informed application.
- (2) The information must include:
  - (a) a description of the *distributor's* basic and standard connection services and the terms and conditions of the model standing offers to provide such services (including possible costs); and
  - (b) a description of the process, including a statement of the information required, for submission of a connection application including an application for an expedited connection; and
  - (c) a statement of a connection applicant's right to negotiate the terms of a connection contract and a description of the relevant process (including the types of possible costs and expenses); and
  - (d) an indication of whether any aspects of the proposed connection are likely to be contestable; and
  - (e) any additional information reasonably required by the enquirer.
- (3) A *distributor* that publishes any of the above information on its website complies with its obligation to disclose information under this rule if it refers the enquirer to the relevant part of the website.

Exception:

If the enquirer asks for a written reply to the enquiry or asks for specific advice about the enquirer's particular situation, the *distributor* must reply to the enquiry as soon as reasonably practicable and in writing if requested.

- (4) If an enquiry is made to a *distributor* about a connection within the area of another *distributor*, the *distributor*:
  - (a) must inform the enquirer of the identity, and *contact details*, of the responsible *distributor*; and
  - (b) on doing so, is released from further obligations in relation to the enquiry.

### Subdivision 3      Applications

#### 119R      Application process

- (1) An application for a connection service must be in the appropriate form determined by the *distributor*.
- (2) An application for a connection service may be made by:
  - (a) a *retail customer* for whom the connection service is sought; or
  - (b) a *retailer* or other person acting on behalf of a *retail customer*; or
  - (c) a real estate developer who seeks connection services for premises comprised in a real estate development.
- (3) If an application for a connection service is made in error to the wrong *distributor*, that *distributor*:
  - (a) must inform the connection applicant of the identity, and *contact details*, of the responsible *distributor*; and
  - (b) on doing so, is released from further obligations in relation to the application.
- (4) If an application is incomplete in a material respect, the *distributor* must advise the connection applicant of the deficiency and may require the connection applicant to complete the application and re-submit it.
- (5) If the *distributor* reasonably requires additional information to assess the application, it may require the connection applicant to provide the necessary information.
- (6) The *distributor* must, within 10 business days after receipt of a complete application for a connection service or if the applicant is required to provide additional information under subrule (5), within 10 business days after receipt of

the information (or some other period agreed between the *distributor* and the connection applicant):

- (a) advise the connection applicant whether the proposed connection service is a basic connection service, a standard connection service or neither; and
- (b) if:
  - (i) the connection service is neither a basic connection service nor a standard connection service; or
  - (ii) the connection applicant elects for a negotiated connection contract even though the proposed connection service is a basic or standard connection service

advise the connection applicant of the negotiated connection process and of possible costs and expenses related to the negotiations.

- (7) A single application may relate to multiple connection services of the same or different kinds.

## **Division 6            Formation of connection contracts**

### **Subdivision 1        Offer and acceptance – basic and standard connection services**

#### **119S            Distributor's response to application**

- (1) If the connection service sought by a connection applicant is a basic connection service or a standard connection service (and the applicant does not elect to apply for a negotiated connection contract), the *distributor* must make a connection offer to the applicant within:
  - (a) 10 business days after receiving a properly completed application for the service and the additional information (if any) reasonably required under subrule 119R(5); or
  - (b) some other period agreed between the *distributor* and the connection applicant.
- (2) The connection offer must be in accordance with the relevant model standing offer and must include:
  - (a) the date of the offer; and
  - (b) details of the connection service to be provided; and
  - (c) a statement of the connection charges payable by the connection applicant.

- (3) If requested by the connection applicant, the *distributor* must include in its connection offer the following information about the basis for calculation of connection charges:
  - (a) the *distributor's* assumptions about the future use of supply services by the relevant *retail customer* or group of *retail customers* supplied or to be supplied through the connection; and
  - (b) if a component of a connection charge relates to augmentation or extension of the distribution pipeline—the *distributor's* assumptions about the incremental increase or reduction in operating and maintenance costs.

#### **119T Acceptance of connection offer**

- (1) A connection offer to provide a basic or standard connection service remains open for acceptance for 45 business days from the date of the offer and, if not accepted within that period, lapses unless the period for acceptance is extended by agreement between the connection applicant and the *distributor*.
- (2) This clause does not apply if the connection application is for an expedited connection.

#### **119U Offer and acceptance – application for expedited connection**

- (1) If:
  - (a) a connection applicant requests an expedited connection in the connection application; and
  - (b) the *distributor* is satisfied that the connection application is for a basic or standard connection service that falls within the terms of the relevant model standing offer; and
  - (c) the connection applicant indicates in the connection application that a connection offer in terms of the relevant model standing offer would be acceptable to the applicant,

the *distributor* is taken to have made, and the connection applicant is taken to have accepted, a connection offer in terms of the relevant model standing offer on the date the *distributor* receives the application.

- (2) If a connection applicant applies for an expedited connection but the *distributor* does not agree that an offer in terms of any of the approved model standing offers is appropriate, the *distributor* must notify the connection applicant accordingly and draw the applicant's attention to the provisions of these Rules dealing with negotiated connection.

## **Subdivision 2 Offer and acceptance – negotiated connection**

### **119V Negotiated connection offer**

- (1) A *distributor* must use its best endeavours to make a negotiated connection offer to the connection applicant within 65 business days after the date of the application for a connection service (but the time taken by the connection applicant to provide information reasonably sought by the *distributor* under rule 119K(1)(b) will not be counted).
- (2) A negotiated connection offer:
  - (a) must be in the form of an offer to enter into a contract in specified terms; and
  - (b) if the connection applicant elected to extend the scope of negotiations to cover supply services—contain terms and conditions relating to the relevant supply services.
- (3) A negotiated connection offer must not include a connection charge that is inconsistent with the connection charges criteria.
- (4) A negotiated connection offer remains open for acceptance for 20 business days from the date of the offer and then lapses unless the period for acceptance is extended by agreement between the *distributor* and the connection applicant.

## **Subdivision 3 Formation of contract**

### **119W Acceptance of connection offer**

- (1) If a connection offer to provide a connection service is accepted, the terms and conditions of the connection offer:
  - (a) become terms and conditions of a contract formed between the *distributor* and the connection applicant; and
  - (b) subject to rule 119X, are enforceable accordingly.
- (2) The *distributor* must, at the request of a connection applicant, provide a copy of:
  - (a) the contract formed under subrule (1); or
  - (b) if that contract has been integrated with, and forms part of, a customer connection contract arising under the *NERL*—the integrated contract.



## Subdivision 4 Contractual performance

### 119X Carrying out connection work

- (1) A *distributor* must use its best endeavours to ensure that connection work is carried out within the applicable time limits fixed by the relevant provisions of the connection contract.
- (2) However, a *distributor* is not obliged to commence or continue with connection work if the connection applicant fails to comply with conditions that are to be complied with by the connection applicant.

#### Examples

The connection applicant fails to pay connection charges.

The connection applicant fails to comply with technical or safety requirements.

The connection applicant fails to complete work that is to be carried out on the connection applicant's premises.

The connection applicant fails to comply with the *distributor's* reasonable request to allow the *distributor* safe and unhindered access to the connection applicant's premises.

### 119XX Retailer required for energisation where new connection

A *distributor* is not required to energise a new connection unless a request to energise the new connection is submitted by a *retailer*, or the *distributor* is otherwise satisfied that there is a relevant contract with a *retailer* in relation to the premises.

## Division 7 Dispute resolution between distributors and retail customers

### 119Y Relevant disputes

- (1) In this Division:

**customer** means:

- (a) a *retail customer*; or
- (b) a real estate developer.

**relevant dispute** is:

- (a) a dispute between a *distributor* and a customer about:
  - (i) the terms and conditions on which a basic connection service or a standard connection service is to be offered; or

- (ii) the proposed or actual terms and conditions of a negotiated connection contract; or
  - (b) a dispute between a *distributor* and a customer about connection charges.
- (2) A relevant dispute is an access dispute for the purposes of Chapter 6 of the *NGL*.

## **119Z Determination of dispute**

- (1) In determining a relevant dispute, the AER must apply:
- (a) in relation to connection charges – the connection charges criteria; and
  - (b) in relation to other terms and conditions:
    - (i) this Part and any other applicable regulatory instrument; and
    - (ii) the relevant model standing offer, as approved by the AER, to provide a basic or standard connection service.
- (2) In determining a relevant dispute, the AER may also:
- (a) have regard to other matters the AER considers relevant; and
  - (b) hear evidence or receive submissions from the *distributor* and the customer; and
  - (c) if the dispute relates to a negotiated connection contract – have regard to the negotiation framework set out in rule 119K.

## **119ZA Termination of proceedings**

- (1) If the AER considers that a relevant dispute could be effectively resolved by some means other than an access determination, the AER may give the parties to the dispute notice of the alternative means of resolving the dispute.

### **Example**

The AER might give such a notice if of the opinion that a particular dispute could be dealt with more efficiently, and with less expense, by a jurisdictional ombudsman.

- (2) The giving of such a notice is a specified dispute termination circumstance for the purposes of section 186(3) of the *NGL*.

### **Note**

It follows that the AER may exercise its power to terminate the dispute without making an access determination (See section 186(1)(d) of the *NGL*).

## Part 13 Greenfields Incentives

### Division 1 Preliminary

#### 120 Excluded infrastructure (Section 149 of the NGL)

For the purposes of Chapter 5 of the *NGL*, all tanks, reservoirs, machinery and equipment that form part of a pipeline are classified as excluded infrastructure.

#### 121 Pipeline description (Section 151(3) and section 160(2) of the NGL)

- (1) A pipeline description for a proposed transmission pipeline (including an international pipeline) for which a greenfields pipeline incentive is sought must contain the following information:
  - (a) the route of the pipeline; and
  - (b) the end points of the trunk of the pipeline (i.e. the points defining the extremities, where the trunk begins and ends); and
  - (c) if a lateral forms part of the pipeline – the point where the lateral interconnects with the trunk and the end point of the lateral; and
  - (d) the range of diameters for the principal pipes (including laterals).
- (2) A pipeline description for a proposed distribution pipeline for which a greenfields pipeline incentive is sought must contain the following information:
  - (a) the geographical area to be *served* by the pipeline; and
  - (b) the points at which natural gas is to be injected into the pipeline.

### Division 2 15-year no-coverage determinations

#### 122 Application for 15-year no-coverage determination (Section 151(3) of the NGL)

- (1) An application for a 15-year no-coverage determination must include, or be accompanied by, the following:
  - (a) the name and *contact details* of the applicant;
  - (b) a short description sufficient to identify the pipeline and its route together with a website address at which a map of the route, and a description, of the pipeline can be inspected;
  - (c) a statement of the basis on which the project for the construction of the pipeline is to be regarded as a greenfields pipeline project;

- (d) a statement of expenditure already made on the construction of the pipeline and an estimate of the expenditure yet to be made together with a statement of the basis on which the estimate has been made;
- (e) an estimate of the pipeline's capacity and an estimate of the extent to which the pipeline's capacity is likely to be utilised by the applicant or associates of the applicant;
- (f) a statement of the services to be provided by means of the proposed pipeline;
- (g) a statement of the locations to be *served* by the proposed pipeline and, in relation to each *downstream location*, a statement of other sources of natural gas available at the relevant location;
- (h) a statement of any existing pipelines, and any proposed pipelines of which the applicant is aware, that *serve* (or will *serve*) any of the same locations or that pass (or will pass) within 100 km of any of the same locations;
- (i) an estimate of the reserves of natural gas available at any *upstream location* to be *served* by the pipeline and an estimate of the rate of production from that location;
- (j) an estimate of expected demand at each *downstream location* to be *served* by the pipeline including for each location a description of the expected customer base and an indication of the revenue expected from each location;
- (k) the identity of all parties with an interest in the proposed pipeline and the nature and extent of each interest;
- (l) a description of the following relationships:
  - (i) any relationship between the owner, operator and controller of the pipeline (or any 2 of them);
  - (ii) any relationship between the owner, operator or controller of the pipeline and a user of pipeline services or a supplier or consumer of gas in any of the locations *served* by the pipeline;
  - (iii) any relationship between the owner, operator or controller of the pipeline and the owner, operator or controller of any other pipeline *serving* any one or more of the same locations; and
- (m) a statement of whether it would be feasible to expand the capacity of the pipeline and, if so, an explanation of how the capacity might be expanded and an estimate of the cost; and
- (n) an estimate of the annual cost to the service provider of regulation; and
- (o) any other information the applicant considers relevant, in the circumstances of the present case, to the application of the National Gas Objective or the pipeline coverage criteria; and

- (p) any other information or materials on which the applicant relies in support of its application.
- (2) Information in the nature of an estimate must be supplemented by a statement of the facts and assumptions on which the estimate is based.

**123 Recommendation on application for 15 year no-coverage determination (Sections 152 and 153 of the NGL)**

- (1) In deciding what recommendation it should make on an application for a 15-year no-coverage determination, the NCC must proceed in accordance with the *standard consultative procedure*.
- (2) The NCC must make a no-coverage recommendation within 4 months after receiving the application for a no-coverage determination.
- (3) The time limit fixed by subrule (2) cannot be extended by more than a further 2 months.
- (4) A no-coverage recommendation must:
  - (a) be in writing; and
  - (b) identify the pipeline to which the recommendation relates; and
  - (c) include a reference to a website at which a description of the pipeline can be inspected; and
  - (d) state the terms of the recommendation and the reasons for it; and
  - (e) if the pipeline is not an international pipeline – include the NCC's initial pipeline classification *decision* and the reasons for it.

**124 Relevant Minister's determination of the application (Section 156(5) of the NGL)**

- (1) A 15-year no-coverage determination, or a *decision* not to make such a determination, must –
  - (a) be in writing; and
  - (b) identify the pipeline to which the determination or *decision* relates; and
  - (c) include a reference to a website at which a description of the pipeline can be inspected; and
  - (d) state the terms of the determination or *decision* and the reasons for it.
- (2) The determination or *decision* must:

- (a) be given to the applicant, the NCC and the AEMC without delay; and
- (b) be published on the NCC's website.

## **Division 3            Price regulation exemptions**

### **125            Application for price regulation exemption (Section 160(2) of the NGL)**

- (1) An application for a price regulation exemption must include, or be accompanied by, the following:
  - (a) the name and *contact details* of the applicant;
  - (b) a short description sufficient to identify the international pipeline and its route together with a website address at which a map of the route, and a description, of the pipeline can be inspected;
  - (c) a statement of the basis on which the project for the construction of the pipeline is to be regarded as a greenfields pipeline project;
  - (d) a statement of the amount already expended on the construction of the pipeline and an estimate of the expenditure yet to be made together with a statement of the basis of the estimate;
  - (e) an estimate of the pipeline's capacity and an estimate of the extent to which the pipeline's capacity is likely to be utilised by the applicant or associates of the applicant;
  - (f) a statement of the services to be provided by means of the proposed pipeline;
  - (g) a statement of the locations to be *served* by the proposed pipeline and, in relation to each *downstream location*, a statement of other sources of natural gas available at the relevant location;
  - (h) a statement of any existing pipelines, and any proposed pipelines of which the applicant is aware, that *serve* (or will *serve*) any of the same locations or that pass (or will pass) within 100 km of any of the same locations;
  - (i) an estimate of the reserves of natural gas available at any *upstream location* to be *served* by the pipeline and an estimate of the rate of production from that location;
  - (j) an estimate of expected demand at each *downstream location* to be *served* by the pipeline including for each location a description of the expected customer base and an indication of the revenue expected from each location;
  - (k) the identity of all parties with an interest in the proposed pipeline and the nature and extent of each interest;

- (l) a description of the following relationships:
    - (i) the relationship between the owner and the operator (or proposed operator) of the pipeline;
    - (ii) any relationship between the owner or operator (or proposed operator) of the pipeline and a user of pipeline services or a supplier or consumer of gas in any of the locations *served* by the pipeline;
    - (iii) any relationship between the owner or operator (or proposed operator) of the pipeline and the owner or operator of any other pipeline *serving* any one or more the same locations;
  - (m) an estimate of the annual cost to the service provider of regulation (assuming regulation on the basis of a full access arrangement);
  - (n) any other information the applicant considers relevant, in the circumstances of the present case, to the application of the National Gas Objective or the criteria governing the making of a price regulation exemption;
  - (o) any other information or materials on which the applicant relies in support of its application.
- (2) Information in the nature of an estimate must be supplemented by a statement of the facts and assumptions on which the estimate is based.

## **126 How NCC deals with application for a price regulation exemption (Section 161 of the NGL)**

- (1) On receiving an application for a price regulation exemption, the NCC must:
  - (a) notify the Commonwealth Minister of the application; and
  - (b) publish notice of the application on its website and in a newspaper circulating generally throughout Australia.
- (2) The notice under subrule (1)(b) must:
  - (a) state the nature of the application; and
  - (b) identify the international pipeline to which the application relates; and
  - (c) include a reference to a website at which a description of the pipeline can be inspected; and
  - (d) invite submissions and comments within a specified period from the date of the notice.

## **127 NCC's recommendation (Section 162 of the NGL)**

- (1) The NCC must, within 30 business days after receiving an application for a price regulation exemption, make a recommendation on the application to the Commonwealth Minister.
- (2) The time limit fixed by subrule (1) cannot be extended.
- (3) The recommendation must:
  - (a) be in writing; and
  - (b) identify the pipeline to which the recommendation relates; and
  - (c) include a reference to a website at which a description of the pipeline can be inspected; and
  - (d) state the terms of the recommendation and the reasons for it.
- (4) As soon as practicable after delivering the recommendation to the Commonwealth Minister, the NCC must:
  - (a) give copies of the recommendation to:
    - (i) the applicant; and
    - (ii) the AEMC; and
    - (iii) the AER; and
  - (b) publish the recommendation on the NCC's website; and
  - (c) make copies of the recommendation available for inspection at the offices of the NCC during business hours.

## **128 Making of price regulation exemption (Section 164 of the NGL)**

- (1) A price regulation exemption, or a *decision* not to make a price regulation exemption, must:
  - (a) be in writing; and
  - (b) identify the pipeline to which the exemption or *decision* relates; and
  - (c) include a reference to a website at which a description of the pipeline can be inspected; and
  - (d) set out the Commonwealth Minister's reasons for the *decision* to grant, or not to grant, the exemption.
- (2) The exemption or *decision* must:



- (a) be given to the applicant, the NCC and the AEMC without delay; and
- (b) be published on the NCC's website.

## **Division 4            Limited access arrangement for international pipeline**

### **129            Limited access arrangement (or limited access arrangement proposal) for international pipeline to which price regulation exemption applies (Section 168 of the NGL)**

- (1) A limited access arrangement for an international pipeline to which a price regulation exemption applies must:
  - (a) identify the pipeline and include a reference to a website at which a description of the pipeline can be inspected; and
  - (b) describe the pipeline services the service provider proposes to offer to provide by means of the pipeline; and
  - (c) state the terms and conditions (other than price) for access to pipeline services likely to be sought by a significant part of the market; and
  - (d) set out the queuing requirements; and
  - (e) set out the capacity trading requirements; and
  - (f) set out the extension and expansion requirements; and
  - (g) state the terms and conditions for changing receipt and delivery points; and
  - (h) state the *expiry date* for the access arrangement.
- (2) The *access arrangement information* for the limited access arrangement must include the following:
  - (a) the pipeline's capacity and the nature and extent of expected utilisation; and
  - (b) the key performance indicators for the pipeline.
- (3) This rule extends to an *access arrangement proposal* consisting of a proposed limited access arrangement for an international pipeline to which a price regulation exemption applies.

**130 Decision on access arrangement proposal for limited access arrangement (or for variation of a limited access arrangement) for international pipeline to which a price regulation exemption applies**

- (1) A *decision* to approve, or not to approve, an *access arrangement proposal* for a limited access arrangement for an international pipeline to which a price regulation exemption applies, or for variation of such an access arrangement, must be made:
  - (a) in accordance with the *expedited consultation procedure*; and
  - (b) within 4 months after submission of the *access arrangement proposal* for the AER's approval.
- (2) If the AER, in its final *decision*, decides to approve the *limited access arrangement proposal*, the access arrangement or the variation to which the proposal relates takes effect on a date fixed in the final *decision* or, if no date is so fixed, 10 business days after the date of the final *decision*.
- (3) The time limit fixed by subrule (1)(b) cannot be extended by more than a further 2 months.

## **Part 14                      Reclassification of pipelines**

### **131                      Reclassification application (Section 128 of the NGL)**

*A reclassification application must:*

- (a) identify the pipeline to which the application relates; and
- (b) specify the nature of the reclassification sought by the applicant; and
- (c) demonstrate that the reclassification would be consistent with the pipeline classification criterion; and
- (d) include, or be accompanied by, any further information or materials on which the applicant relies in support of the application.

### **132                      Reclassification decision (Section 129 of the NGL)**

- (1) The NCC must deal with a *reclassification application* in accordance with the *expedited consultative procedure*.
- (2) A Minister who could, as a result of the *decision* taken on the *reclassification application*, become or cease to be the relevant Minister for the pipeline is to be regarded as a party to the application.
- (3) A reclassification *decision* must:
  - (a) be in writing; and
  - (b) identify the pipeline to which the *decision* relates; and
  - (c) include a reference to a website at which a description of the pipeline can be inspected; and
  - (d) state the terms of the *decision* and the reasons for it.

## Part 15 Scheme register

### 133 Establishment and maintenance of register

- (1) The AEMC must establish and maintain a register (the **scheme register**).
- (2) The scheme register is a register of all pipelines that are, or have been, subject to any form of regulation or exemption from regulation under the *Law* or the old scheme.
- (3) The scheme register is to include for each pipeline:
  - (a) a description of the pipeline (including, in the case of a covered pipeline, historical information about extensions and capacity expansions occurring while the pipeline was covered); and
  - (b) the pipeline's classification and regulatory history under the *Law* and the old scheme.
- (4) The scheme register is to include the text of current and former:
  - (a) greenfields pipeline incentives; and
  - (b) *tender approval decisions*; and
  - (c) coverage determinations; and
  - (d) coverage revocation determinations; and
  - (e) light regulation determinations; and
  - (f) applicable access arrangements.

### 134 Notification of extension or capacity expansion

When the description of a scheme pipeline is affected by an extension or capacity expansion, the service provider must give the AEMC a revised description of the pipeline, incorporating the extension or expansion, for inclusion in the register.

### 135 Public availability of the register

The scheme register:

- (a) must be accessible on the AEMC's website; and
- (b) must be available for inspection by the public at the AEMC's public offices during business hours.

## Part 15A Registered participants

### Division 1 Registration

#### 135A Participation in declared wholesale gas market of adoptive jurisdiction

A person participates, in a registrable capacity, in the declared wholesale gas market of an adoptive jurisdiction as follows:

- (a) Registrable capacity: declared transmission system service provider

The service provider for the declared transmission system.

- (b) Registrable capacity: Distributor

The service provider for a declared distribution system.

- (c) Registrable capacity: Producer

A producer that injects natural gas into the declared transmission system.

- (d) Registrable capacity: Market Participant – Producer

A producer that buys or sells natural gas in the declared wholesale gas market.

- (e) Registrable capacity: Storage provider

A storage provider whose storage facility is connected to the declared transmission system.

**Note:**

Under section 91B of the *NGL*, this will include a declared LNG storage provider.

- (f) Registrable capacity: Market Participant – Storage provider

A storage provider that buys or sells natural gas in the declared wholesale gas market.

- (g) Registrable capacity: interconnected transmission pipeline service provider

A service provider for a transmission pipeline that is connected to the declared transmission system.

- (h) Registrable capacity: Transmission Customer

An end user that withdraws natural gas from the declared transmission system.

- (i) Registrable capacity: Market Participant – Transmission Customer

An end user that:

- (i) buys natural gas in the declared wholesale gas market; and
  - (ii) withdraws natural gas from the declared transmission system.
- (j) Registrable capacity: Market Participant – Distribution Customer

An end user that:

- (i) buys natural gas in the declared wholesale gas market; and
  - (ii) withdraws natural gas from a declared distribution system.
- (k) Registrable capacity: Market Participant – Retailer

A *retailer* that sells natural gas that has been transported through the declared transmission system.

- (l) Registrable capacity: Market Participant - Trader

Any other person that buys or sells natural gas in the declared wholesale gas market.

### **135AB Retail market participation**

- (1) A person participates, in a registrable capacity, in the retail gas market of New South Wales and the Australian Capital Territory as follows:

- (a) Registrable capacity: network operator

A service provider that holds, or is required to hold, a reticulator's authorisation under the *Gas Supply Act 1996* of New South Wales or a corresponding licence, approval or authorisation under the *Utilities Act 2000* of the Australian Capital Territory.

- (b) Registrable capacity: user

A user or non-scheme pipeline user that is a *retailer*.

- (c) Registrable capacity: self contracting user

A user or non-scheme pipeline user that:

- (i) is a party to a contract with a service provider for the provision of haulage services in New South Wales or the Australian Capital Territory (or both); and
- (ii) is an end user; and
- (iii) is not a *retailer*.

- (2) A person participates, in a registrable capacity, in the retail gas market of Queensland as follows:

(a) Registrable capacity: distributor

- (i) A service provider that holds, or is required to hold, an area distribution authority under the *Gas Supply Act 2003* of Queensland; or
- (ii) A service provider that holds, or is required to hold, a reticulator's authorisation under the *Gas Supply Act 1996* of New South Wales for the Tweed local government area.

**Note:**

The APT Allgas Distribution Network – South Coast Region as described in the Access Arrangement for APT Allgas Energy Pty Ltd (ACN 009 656 446) and approved by the Queensland Competition Authority in July 2006 extends into the Tweed local government area in NSW.

(b) Registrable capacity: retailer

A user or non-scheme pipeline user that is a *retailer*.

(c) Registrable capacity: self contracting user

A user or non-scheme pipeline user that:

- (i) is a party to a contract for the provision of haulage services with a service provider that participates in the retail gas market of Queensland with the registrable capacity of distributor; and
- (ii) is an end user; and
- (iii) is not a *retailer*.

- (3) A person participates, in a registrable capacity, in the retail gas market of South Australia as follows:

(a) Registrable capacity: network operator

A service provider that holds, or is required to hold, a gas distribution licence under the *Gas Act 1997* (SA).

(b) Registrable capacity: network operator (Mildura region)

Envestra Limited (ACN 078 551 685) and any successor to Envestra as service provider for the distribution pipelines that *serve* Mildura and its environs.

(c) Registrable capacity: user

A user or non-scheme pipeline user that is a *retailer*.

- (d) Registrable capacity: self contracting user  
A user or non-scheme pipeline user that:
    - (i) is a party to a contract with a service provider for the provision of haulage services in South Australia; and
    - (ii) is an end user; and
    - (iii) is not a *retailer*.
  - (e) Registrable capacity: transmission system operator  
A service provider for a transmission pipeline in South Australia.
  - (f) Registrable capacity: swing service provider  
A person that is a swing service provider within the meaning of the Procedures governing the operation of the regulated retail gas market of South Australia.
  - (g) Registrable capacity: shipper  
A person that is a shipper within the meaning of the Procedures governing the operation of the regulated retail gas market of South Australia.
- (4) A person participates, in a registrable capacity, in the retail gas market of Victoria as follows:
- (a) Registrable capacity: transmission system service provider
    - (i) The service provider for the declared transmission system.
    - (ii) A service provider for a transmission pipeline in Victoria that does not form part of the declared transmission system.
  - (b) Registrable capacity: distributor
    - (i) A service provider for a declared distribution system.
    - (ii) A service provider for a distribution pipeline in Victoria that does not form part of a declared distribution system.
    - (iii) The Albury Gas Co Limited (ACN 000 001 249) and any successor to that company as service provider for the distribution pipelines that serve Albury and its environs (the **Albury gas distribution system**).
  - (c) Registrable capacity: market participant – retailer
    - (i) A *retailer* that is a user of a declared distribution system.



- (ii) A *retailer* that is a user or non-scheme pipeline user of a distribution pipeline in Victoria, that does not form part of a declared distribution system.
  - (iii) A *retailer* that is a user of the Albury gas distribution system.
- (d) Registrable capacity: market participant-other
  - (i) A user of the declared transmission system.
  - (ii) A user or non-scheme pipeline user of a transmission pipeline in Victoria that does not form part of the declared transmission system.

### 135ABA Short term trading market participation

- (1) A person participates, in a registrable capacity, in a short term trading market as follows:
  - (a) Registrable capacity: STTM Shipper

A person that:

    - (i) is a user or non-scheme pipeline user under a contract with a service provider for the transmission of natural gas to or from an STTM hub;
    - (ii) is a party to a contract with a storage provider or a producer for the delivery of natural gas to an STTM hub from a storage or production facility that is directly connected to that STTM hub;
    - (iii) holds rights subcontracted from a person referred to in paragraph (i) or (ii) for the use of services provided under the relevant contract; or
    - (iv) is a producer or storage provider who supplies natural gas on its own behalf to an STTM hub from its production or storage facility that is directly connected to that STTM hub.
  - (b) Registrable capacity: STTM User

A person that:

    - (i) is a user under a contract with the service provider for a distribution pipeline at an STTM hub; or
    - (ii) is a user under a contract with the service provider for a transmission pipeline, under which the person withdraws natural gas from that pipeline at an STTM hub for consumption at a facility that is directly connected to the pipeline.
- (2) A person that participates in a short term trading market in a registrable capacity must apply for registration for each STTM hub in respect of which it participates in that capacity.

### **135AC General requirements for registration**

To be registered as a Registered participant, a person:

- (a) must be resident or permanently established in Australia; and
- (b) must not be an externally-administered body corporate (as defined in the *Corporations Act 2001* of the Commonwealth) or under a similar form of administration under the laws of some other jurisdiction; and
- (c) must not be immune from liabilities incurred as a Registered participant (except to the extent the immunity is conferred under the *NGL* or these rules); and
- (d) must be capable of being sued in its own name in a court of competent jurisdiction; and
- (e) must be participating, or proposing to participate, in a registrable capacity in a regulated gas market; and
- (f) must have adequate financial resources:
  - (i) for participation in the market in the relevant capacity; and
  - (ii) to meet creditworthiness requirements imposed by these rules or the Procedures governing the relevant market; and
- (g) must have the expertise and other resources necessary for compliance with these rules and the Procedures governing the relevant market; and
- (h) must comply with any other requirements imposed by these rules or the Procedures governing the relevant market, or determined by AEMO to be appropriate to a participant in the relevant market in the relevant registrable capacity.

### **135AD Application for registration**

- (1) An application for registration:
  - (a) must be in the form, and contain the information, required by AEMO; and
  - (b) must be accompanied by the fee determined by AEMO.
- (2) AEMO may, within 5 business days of receiving an application, ask the applicant to provide further information or clarification in support of the application if, in AEMO's reasonable opinion, the application:
  - (a) is incomplete; or
  - (b) requires clarification.

- (3) If AEMO asks for further information or clarification under subrule (2), the application is taken to have been made when the further information or clarification is provided to AEMO's satisfaction.
- (4) If the further information or clarification is not provided to AEMO's satisfaction within 15 business days of the request, the application lapses.

### **135AE Registration**

- (1) If AEMO is satisfied that an applicant meets the requirements for registration, AEMO must:
  - (a) register the applicant as a Registered participant in the relevant registrable capacity or capacities; and
  - (b) give the applicant a notice specifying the date on which each registration takes effect.
- (2) If AEMO is not satisfied that an applicant meets the requirements for registration, AEMO must:
  - (a) refuse the application; and
  - (b) give the applicant written reasons for the refusal.
- (3) AEMO must decide an application within 15 business days after the date of the application.

### **135AF Intending participants**

- (1) AEMO may register an applicant as an Intending participant if satisfied that the applicant intends to participate in a registrable capacity but does not require registration immediately.
- (2) A person registered as an Intending participant has the rights and obligations of a Registered participant to the extent determined by AEMO in accordance with relevant guidelines issued by AEMO.

### **135AG Exemption from registration**

- (1) AEMO may:
  - (a) grant an exemption from registration to a person who applies for such an exemption; or
  - (b) grant, by notice published on its website, a general exemption from registration in favour of a class of persons defined in the notice.
- (2) An exemption must be consistent with:

- (a) the national gas objective; and
  - (b) relevant guidelines issued from time to time by AEMO.
- (3) An application for an exemption:
  - (a) must be in the form, and contain the information, required by AEMO; and
  - (b) must be accompanied by the fee determined by AEMO.
- (4) AEMO may, within 5 business days of receiving an application, ask the applicant to provide further information or clarification in support of the application if, in AEMO's reasonable opinion, the application:
  - (a) is incomplete; or
  - (b) requires clarification.
- (5) AEMO may:
  - (a) grant an exemption unconditionally; or
  - (b) grant an exemption on specified conditions; or
  - (c) refuse an application for an exemption.
- (6) AEMO must decide an application for an exemption within 15 business days after the date of the application unless AEMO asks for further information or clarification under subrule (4); in that case:
  - (a) AEMO must decide the application within 15 business days after the further information or clarification is provided to AEMO's satisfaction; and
  - (b) if the further information or clarification is not provided to AEMO's satisfaction within 15 business days of the date of the request, the application lapses.
- (7) If AEMO refuses an application for an exemption, or grants an exemption on conditions, AEMO must give the applicant written reasons for its *decision*.

### **135AH Revocation of registration or exemption**

- (1) AEMO may revoke a registration or exemption if:
  - (a) the Registered participant or the holder of the exemption applies in writing for, or consents in writing to, the revocation; and
  - (b) there is, in AEMO's opinion, no good reason why the registration or exemption should continue in force.
- (2) AEMO may revoke a registration or exemption if:

- (a) the Registered participant or the holder of the exemption:
    - (i) no longer qualifies for the registration or exemption; or
    - (ii) contravenes a condition of the registration or exemption; or
  - (b) the registration or exemption is liable to revocation under some other provision of these rules.
- (3) If AEMO proposes:
- (a) to refuse an application for revocation of a registration or exemption under subrule (1); or
  - (b) to revoke a registration or exemption under subrule (2),
- it must give the holder of the registration or exemption a reasonable opportunity to make representations.
- Exception:
- AEMO may, but is not required to, give a Registered participant an opportunity to make representations if the Registered participant's registration is liable to revocation under rule 260(9) or rule 488(9)
- (4) If, after considering representations (if any) from the holder of the registration or exemption, AEMO decides to refuse an application for revocation of a registration or exemption under subrule (1), or to revoke a registration or exemption under subrule (2), AEMO must give the holder of the registration or exemption written reasons for the *decision*.
- (5) If AEMO revokes a registration or exemption under subrule (2), AEMO must as soon as practicable:
- (a) publish a notice of the revocation on AEMO's website; and
  - (b) comply with any additional notice requirements in these rules or the Procedures governing the relevant regulated gas market.

### **135AI Liability after revocation**

The revocation of a registration or exemption does not affect a liability that had accrued under these rules or the Procedures before the revocation.

## **Division 2 Register**

### **135B Obligation to keep register**

- (1) AEMO must establish and maintain a register of Registered participants and persons exempted from registration.

- (2) The register must include for each Registered participant:
  - (a) the name and *contact details* for the Registered participant; and
  - (b) the registrable capacity or capacities in which the Registered participant is registered; and
  - (c) the gas market for which the Registered participant is registered; and
  - (d) any further information required by these rules or the Procedures; and
  - (e) any further information determined by AEMO.
- (3) The register must include for each Intending participant:
  - (a) the name and *contact details* for the Intending participant; and
  - (b) the registrable capacity or capacities in which the Intending participant is registered; and
  - (c) a statement of the extent to which the Intending participant has the rights and obligations of a Registered participant; and
  - (d) the gas market for which the Intending participant is registered; and
  - (e) any further information required by these rules or the Procedures; and
  - (f) any further information determined by AEMO.
- (4) The register must include for each person exempted from registration:
  - (a) the name and *contact details* of the person; and
  - (b) the registrable capacity or capacities in which the person has been exempted from registration; and
  - (c) if the exemption is related to a particular gas market - the gas market to which the exemption relates; and
  - (d) the conditions (if any) of the exemption; and
  - (e) any further information required by these rules or the Procedures; and
  - (f) any further information determined by AEMO.
- (4A) A Registered participant or a person exempted from registration must notify AEMO as soon as practicable if any information in the register about that Registered participant or person is or becomes incorrect, and must give AEMO the correct information.
- (5) The register must be published on AEMO's website.

## Division 3 Participant fees

### 135C Definitions

In this Division:

**capacity trading and auction costs** means:

- (a) the costs of establishing, operating and administering the capacity auction under Part 25;
- (b) the costs of establishing, operating and administering the Capacity Transfer and Auction Procedures; and
- (b) the costs to be recouped by AEMO as capacity trading and auction costs in connection with the Operational Transportation Service Code Panel as provided for in Subdivision 2.2 of Division 2 of Part 24.

**interested party** means a person that:

- (a) has, in AEMO's opinion, an interest in the structure of participant fees; or
- (b) identifies itself to AEMO as having an interest in the structure of participant fees.

**participant fees** means fees payable by Registered participants under this Division.

### 135CA Development of participant fee structure

- (1) AEMO must develop, review and publish, in consultation with Registered participants, interested parties and such other persons as AEMO thinks appropriate, the structure (including the introduction and determination) of participant fees for such periods as AEMO considers appropriate.
- (2) The participant fees should be sufficient to cover AEMO's budgeted revenue requirements.
- (3) AEMO must consult on its proposed fee structure in accordance with the *extended consultative procedure*.
- (4) In determining the structure of participant fees, AEMO:
  - (a) must have regard to the national gas objective; and
  - (b) must have regard to the following principles:
    - (i) the fee structure should be simple;
    - (ii) subject to subrule (4A), the components of the fees charged to each Registered participant should be reflective of the extent to which the

- budgeted revenue requirements for AEMO involve that Registered participant;
- (iii) the fee structure should not discriminate unreasonably against a category or categories of Registered participants; and
- (c) must have regard to other fee structures that it thinks appropriate for comparison purposes.
- (4A) The participant fees charged to a Registered participant may include a component for the recovery of capacity trading and auction costs even if those costs do not involve that Registered participant.
- (5) The following principles are relevant to the recovery of recurrent expenditure:
- (a) if AEMO recovers an excess of revenue over expenditure from the provision of a particular service in a financial year, it may roll over the excess to a later financial year (or later financial years) so as to reduce revenue requirements in the later financial year (or later financial years);
- (b) AEMO may recover a shortfall of revenue as against expenditure for the provision of a particular service in a later financial year or later financial years;
- (c) AEMO may take any other action it considers desirable to smooth the impact of actual or anticipated cost variations on the users of a service provided by AEMO.
- (6) Capital expenditure is to be recovered through the depreciation or amortisation of the assets acquired by the capital expenditure in a manner that is consistent with generally accepted accounting principles.

### **135CB Major gas project**

- (1) AEMO may determine any of the following projects to be a major gas project:
- (a) a major reform or development (including an anticipated reform or development) of a regulated gas market;
- (b) a major change (including an anticipated change) to any of AEMO's functions, responsibilities, obligations or powers under these rules or the Procedures;
- (c) a major change (including an anticipated change) to any of the computer software or systems that AEMO uses in the performance of any of its functions, responsibilities, obligations or powers under these rules or the Procedures.
- (2) AEMO must consult on a determination under this rule in accordance with the *extended consultative procedure*.



- (3) When AEMO determines a project to be a major gas project, it must also determine the start date for recovery and the period or periods for recovery of the costs of the project.
- (4) AEMO must also determine a participant fee to be used for the recovery of the costs of the project until the next general determination of participant fees.

### **135CC Components of participant fees**

- (1) The components of participant fees may include (but are not limited to) the following:
  - (a) registration fees comprising an annual fee for each registrable capacity in which a Registered participant is registered;
  - (b) fees for administration and operation of a declared wholesale gas market;
  - (ba) fees for administration and operation of a short term trading market;
  - (bb) fees to recover the costs of establishing a short term trading market;
  - (bc) fees to recover capacity trading and auction costs;
  - (c) fees for administration and operation of a regulated retail gas market;
  - (d) gas market planning fees including fees to recover the costs of preparing and publishing the gas statement of opportunities;
  - (e) administration fees to recover the remainder of AEMO's budgeted revenue requirements;
  - (f) fees to recover AEMO's costs of operating and maintaining the Bulletin Board in accordance with Part 18.
- (2) If the costs of providing services related to administration and operation of a regulated gas market vary materially from location to location, differential fees reflecting the difference in costs should be prepared for each location.

**Note:**

- 1. [Deleted]
  - 2. The fees may reflect adjustments under rule 135CA(4).
- (3) AEMO may from time to time determine that a contribution to capacity trading and auction costs should be recovered as exchange fees under Part 22 or auction fees under Part 25 and not as participant fees.

### **135CD Publication of fee structure**

At least 3 months before implementation of the participant fee structure, AEMO must publish to Registered participants and such other persons as AEMO thinks appropriate:

- (a) the participant fee structure; and
- (b) the methods used to determine the participant fee structure; and
- (c) an assessment of the extent to which the participant fee structure complies with the principles set out in rule 135CA.

### **135CE Payment of participant fees**

- (1) AEMO may charge participant fees by giving a statement to the Registered participant setting out the relevant components of the participant fees, the amount payable by the Registered participant and the date for payment.
- (2) A Registered participant must pay to AEMO the amount stated to be payable by the specified date for payment (whether or not the Registered participant disputes the amount payable).

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

### **135CF Budgeted revenue requirements**

- (1) AEMO must prepare and publish before the beginning of each financial year a budget of AEMO's revenue requirements for that financial year.
- (2) The budget must take into account and separately identify projected revenue requirements for:
  - (a) AEMO's expenditures for the administration and operation of a declared wholesale gas market; and
  - (b) AEMO's expenditures for providing services as the operator of the Natural Gas Services Bulletin Board; and
  - (ba) AEMO's expenditures for the administration and operation of a short term trading market; and
  - (bb) AEMO's expenditures for the establishment of a short term trading market;
  - (c) AEMO's expenditures for the administration and operation of a regulated retail gas market; and
  - (ca) AEMO's expenditures for capacity trading and auction costs; and

- (d) AEMO's expenditures for gas market planning including preparing and publishing the gas statement of opportunities; and
  - (e) AEMO's other expenditure requirements, operating costs and margin associated with services provided to the gas industry; and
  - (f) AEMO's consumer advocacy funding obligation under these rules; and
  - (g) any revenue shortfall or excess carried forward from an earlier financial year; and
  - (h) the funding requirements of participant compensation funds; and
  - (i) the proportion of AEMO's residual expenditures allocated to the gas industry under subrule (3).
- (3) AEMO must allocate expenditures that cannot be specifically related to electricity activities or gas activities (**residual expenditures**) between the electricity and gas industries in a manner that:
- (a) ensures that the total amount of the residual expenditures is divided in full between the electricity and gas industries; and
  - (b) ensures that each industry bears an allocation of the residual expenditures at least equal to the amount by which residual expenditures would be reduced if services were no longer provided to that industry; and
  - (c) promotes the efficient use of electricity and gas services.

## **Division 4            Consumer advocacy funding**

### **135D        Consumer advocacy funding obligation**

- (1) AEMO must pay to ECA the amount of its consumer advocacy funding obligation for each financial year.
- (2) AEMO may recover the costs of meeting its consumer advocacy funding obligation from participant fees and may allocate the costs to users and non-scheme pipeline users (other than producers).
- (3) The amount to be paid by AEMO to ECA under subrule (1) is to be made available under a scheme agreed between AEMO and ECA or, in default of an agreement, on a quarterly basis.
- (4) In this rule:

**consumer advocacy funding obligation** means ECA's total projected expenses for a financial year, in so far as those expenses are allocated to natural gas in its final Annual Budget for that financial year, and including but not limited to:

- (a) all operational and administrative costs relating to the performance of ECA's activities relevant to consumers of natural gas; and
- (b) grant funding for any current or proposed grants relevant to consumers of natural gas.

**final Annual Budget** means ECA's final Annual Budget for a financial year, as issued by ECA in accordance with its constitution to AEMO.

## **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.

## Part 15C                      Dispute resolution

### Division 1                      Preliminary

#### 135F                      Definitions

In this Part:

**Adviser** means the dispute resolution adviser appointed under rule 135G.

**eligible person** means any of the following:

- (a) AEMO;
- (b) a Registered participant;
- (c) a person classified by some other provision of these rules or the Procedures as a person to whom the dispute resolution provisions of this Part apply.

**excluded dispute** means:

- (a) an access dispute; or
- (b) a dispute about the content, preparation or publication of a budget; or
- (c) a dispute that is classified as an excluded dispute under another provision of these rules.

**party** to a relevant dispute means an eligible person whose interests are involved in or directly affected by the relevant dispute.

**relevant dispute** or **rule dispute** means:

- (a) a dispute (other than an excluded dispute) between eligible persons about:
  - (i) the application or interpretation of these rules or the Procedures; or
  - (ii) a liability or alleged liability under these rules or the Procedures; or
  - (iii) a matter that is, by agreement between the parties to the dispute, to be resolved under this Part; or
- (b) a matter that is under some other provision of these rules or the Procedures to be determined under this Part.

**Stage 1 dispute resolution process** means a dispute resolution process under rule 135H.

**Stage 2 dispute resolution process** means a dispute resolution process under rules 135HB to 135HI.

### **135FA General principles**

- (1) Dispute resolution processes under this Part should, as far as practicable, be guided by the national gas objective.
- (2) In any dispute resolution process under this Part:
  - (a) account must be taken of the skills and knowledge required for resolution of the relevant dispute; and
  - (b) the rules of natural justice are to be observed.
- (3) In addition, any Stage 1 dispute resolution process and any mediation process that may be used as part of a Stage 2 dispute resolution process should, as far as practicable:
  - (a) be simple, quick and inexpensive; and
  - (b) preserve or enhance the relationship between the parties to the relevant dispute; and
  - (c) place emphasis on conflict avoidance; and
  - (d) encourage resolution of relevant disputes without legal representation or undue legal formality.

### **135FB Resolution of relevant dispute not to extend to imposition of sanctions**

- (1) This Part is directed at resolving relevant disputes and not at imposing sanctions for breach of these rules or the Procedures.
- (2) An action for breach of these rules or the Procedures may only be taken by the AER under the *NGL*.

### **135FC Legal professional privilege**

A person cannot be required under this Part to disclose:

- (a) information that is the subject of legal professional privilege; or
- (b) documents that would disclose information subject to legal professional privilege.

### **135FD Dispute management contacts**

- (1) Each Registered participant and AEMO must nominate a person to be the first point of contact for relevant disputes (the **dispute management contact**).



- (2) If a person (other than a Registered participant or AEMO) becomes a party to a relevant dispute, that person must nominate a dispute management contact within 2 business days of becoming a party to the relevant dispute.
- (3) A nomination of a dispute management contact under subrule (1) or (2) is made by giving the Adviser written notice of the name and *contact details* of the dispute management contact.
- (4) The person for whom the dispute management contact is nominated must promptly notify the Adviser of:
  - (a) any change of dispute management contact; and
  - (b) any changes to *contact details* for the dispute management contact.
- (5) The Adviser must publish the names and *contact details* of all current dispute management contacts as notified to the Adviser.
- (6) If the name and *contact details* of a dispute management contact for a party to a relevant dispute are published under subrule (5), any notice or other document to be *served* on the party is to be *served* on the dispute management contact.

## **Division 2            Adviser and dispute resolution panel pool**

### **135G      Appointment of dispute resolution adviser**

- (1) There is to be a dispute resolution adviser.
- (2) The Adviser:
  - (a) must have detailed knowledge and experience of non-litigious dispute resolution processes (**alternative dispute resolution processes**); and
  - (b) must be able to decide the most appropriate alternative dispute resolution processes for a particular relevant dispute; and
  - (c) must have a good understanding of the natural gas industry or the capacity to acquire a good understanding of the natural gas industry quickly; and
  - (d) must not have any material direct or indirect interest or association that compromises, or is likely to compromise, the impartiality of the Adviser in relation to relevant disputes.
- (3) The Adviser will be appointed on terms and conditions determined by the AER.

### **135GA    Disclosure of interest**

The Adviser must disclose to the AER any material direct or indirect interest or association that compromises, or would be reasonably seen to compromise, the impartiality of the Adviser in relation to relevant disputes.

### **135GB Adviser's functions**

- (1) The Adviser is responsible for ensuring the effective operation of the provisions of this Part for dispute resolution.
- (2) The Adviser must report to the AER at least once in each quarter about dispute resolution under this Part.
- (3) The AER must publish the report on its website.

### **135GC Pool for constitution of dispute resolution panels**

- (1) The Adviser must establish and maintain a pool of persons from which the members of a dispute resolution panel may be selected under rule 135HD.
- (2) In selecting persons to constitute the pool, the Adviser must have regard to:
  - (a) the need for members of a dispute resolution panel to have an appropriate range of skills; and
  - (b) the need to ensure that the membership of the pool is properly representative (as far as practicable) of all participating jurisdictions.
- (3) The Adviser must review the composition of the pool at least once in every successive period of 2 years.

### **135GD Guidance notes**

- (1) The Adviser may issue guidance notes relating to the conduct of any part of the Stage 1 or Stage 2 dispute resolution processes.
- (2) Guidance notes are intended to promote the efficient use of resources and processes but are not binding.

## **Division 3 Dispute resolution processes**

### **135H Stage 1 dispute resolution process**

- (1) A party to a relevant dispute may initiate the dispute resolution process by *serving* a notice (a **Stage 1 notice**) on one or more parties to the relevant dispute and giving a copy of the notice to the Adviser.
- (2) A Stage 1 notice must be *served*:
  - (a) within a period fixed by these rules for the relevant dispute; or
  - (b) if no such period is fixed by these rules – within 90 business days after the relevant dispute arises.

- (3) For the purposes of subrule (2)(b), a dispute is taken to arise when the circumstances giving rise to the dispute first come to the knowledge, or ought reasonably have come to the knowledge, of the party that initiates the dispute resolution process.
- (4) A Stage 1 notice:
  - (a) must be in the form approved and published, from time to time, by the Adviser; and
  - (b) must contain the names of each eligible person that the party *serving* the Stage 1 notice believes to be a party to the relevant dispute and a statement setting out the circumstances giving rise to the relevant dispute.
- (5) Within 15 business days after service of a Stage 1 notice, representatives of the parties that *served* or were *served* with the Stage 1 notice must meet to determine, by agreement, the course of the dispute resolution process.
- (6) The meeting is to be held on a without prejudice basis and:
  - (a) may, if the parties agree, be arranged and chaired by the Adviser; and
  - (b) may be conducted in person, by telephone, video conference or a similar method of communication; and
  - (c) may agree that the dispute resolution process should proceed by direct discussions between parties, by mediation or in any other way; and
  - (d) must consider whether there are other parties to the relevant dispute who should be *served* with a Stage 1 notice;
  - (e) may agree, subject to subrule (7), to keep confidential:
    - (i) the fact that the relevant dispute exists; and
    - (ii) any information exchanged between them for the purposes of attempting to resolve the relevant dispute.
- (7) If AEMO is *served* with a Stage 1 notice:
  - (a) AEMO must immediately notify the parties and the Adviser of any other persons that AEMO considers may have an interest in the relevant dispute; and
  - (b) if all parties agree, AEMO must notify those other persons of the relevant dispute.
- (8) If:
  - (a) a party to the relevant dispute on whom a Stage 1 notice is *served* does not agree to participate in the proceedings for resolution of the relevant dispute; or

- (b) the relevant dispute is not resolved within 45 business days of service of a Stage 1 notice (or a lesser period agreed by all parties); or
- (c) the disputing parties have not agreed to the giving of notification under subrule (7)(b) within 10 business days after AEMO gives its notice under subrule (7)(a),

a party may, no later than 60 business days after service of a Stage 1 notice, refer the matter to the Adviser by *serving* a Stage 2 notice.

### **135HA Effect of time limits for Stage 1**

- (1) If a Stage 2 notice has not been *served* within 60 business days of service of the Stage 1 notice in respect of a relevant dispute, any obligations or requirements arising under rule 135H in relation to the relevant dispute, other than obligations of confidentiality, cease to have effect.
- (2) If:
  - (a) a Stage 1 notice has not been *served* within the time limit applicable under rule 135H(2); or
  - (b) a Stage 2 notice has not been *served* within 60 business days of service of the Stage 1 notice,a Stage 2 notice may be *served* on the Adviser.
- (3) If a Stage 2 notice is *served* under subrule (2), the Adviser will refer the relevant dispute to a dispute resolution panel but the panel may only determine the relevant dispute if, in the opinion of the panel, no party would suffer undue prejudice as a result of the relevant dispute being referred outside the specified period.

### **135HB Stage 2 dispute resolution processes**

- (1) A Stage 2 notice must:
  - (a) be in the form approved and published, from time to time, by the Adviser; and
  - (b) contain the names of all parties to the relevant dispute; and
  - (c) if the party *serving* the Stage 2 notice does not agree to the Adviser attempting to resolve the relevant dispute and requires the Adviser to refer the relevant dispute to a dispute resolution panel for determination, contain a statement to that effect.
- (2) Where a relevant dispute is referred to the Adviser, the Adviser must immediately notify each party identified in the Stage 2 notice of that fact. Each party must within 15 business days of being so notified, provide to the Adviser a statement setting out:

- (a) a brief history of the relevant dispute and the circumstances giving rise to it; and
  - (b) a statement of the issues involved in the relevant dispute.
- (3) The Adviser must, within 30 business days of being *served* with a Stage 2 notice:
  - (a) if the parties agree – attempt to resolve the relevant dispute by any means the Adviser, having regard to the principles set out in rule 135FA(2) and (3), considers appropriate; or
  - (b) refer the relevant dispute to a dispute resolution panel for determination.
- (4) If the Adviser attempts to resolve the relevant dispute under subrule (3)(a), the Adviser may, if of the opinion that the attempt is unlikely to prove successful, abandon the attempt and refer the relevant dispute to a dispute resolution panel for determination.
- (5) If the Adviser refers a relevant dispute to a dispute resolution panel, the Adviser must promptly:
  - (a) publish notice of the referral to all Registered participants; and
  - (b) give notice of the referral to AEMO, the AER and the AEMC.

### **135HC Disclosure of information by direction**

- (1) If:
  - (a) a party to a relevant dispute requests, in writing, information in the possession of another party for the purpose of:
    - (i) preparing a Stage 1 notice; or
    - (ii) participating in a Stage 1 dispute resolution process; or
    - (iii) preparing the statement required under rule 135HB(2); and
  - (b) the other party either refuses to provide the information or fails to provide the information within 15 business days of the request,

the Adviser must, on application by the party requesting the information, appoint a member of the dispute resolution panel pool to give directions about the disclosure of information.
- (2) The member of the pool appointed to exercise functions under this rule must be a former judge of a State or Territory Supreme Court, the Federal Court or the High Court or some other appropriately qualified legal practitioner.
- (3) A member of the pool so appointed may give one or more of the following directions to a party to the relevant dispute:

- (a) a direction that the party provide to the member of the pool all information in its possession that is relevant to the relevant dispute;
  - (b) a direction that the party provide to another party such information as the member of the pool considers to be necessary for a purpose referred to in subrule (1);
  - (c) a direction to a party to which information may be provided relating to the use and disclosure of the information by that party (including a direction to keep information confidential);
  - (d) a direction that a party enter into a confidentiality agreement, and any other person to whom the information may be disclosed by that party enter into a confidentiality agreement, before the information is provided;
  - (e) a direction specifying the time within which, the means by which and the form in which the information is to be provided;
  - (f) a direction specifying the terms and conditions of a confidentiality agreement that a party or other person is to enter into.
- (4) A direction under subrule (3) is binding on the party to which it is given and the party must comply with it.
- (5) A person appointed to give directions under this rule:
- (a) is not bound by the rules of evidence but must observe the rules of natural justice; and
  - (b) is subject to the same requirements as to actual or apparent conflict of interest as a member of a dispute resolution panel.

**Note:**

These requirements are set out in rule 135HD(9) and (10).

## **135HD Establishment of dispute resolution panel**

- (1) If the Adviser refers a relevant dispute for resolution by a dispute resolution panel, the Adviser must establish the dispute resolution panel to determine the relevant dispute.
- (2) A dispute resolution panel consists of 3 members or a lesser number of members agreed by the parties.
- (3) A person is eligible for appointment to a panel if, in the Adviser's opinion, the person is:
  - (a) expert in the field to which the relevant dispute relates; or
  - (b) experienced or trained in dispute resolution techniques.

- (4) A member of the panel is to be drawn from the pool unless, in the Adviser's opinion, no suitable person is available from the pool (and, on the appointment of a person from outside the pool as a member of a panel, the person becomes a member of the pool).
- (5) The Adviser will appoint one member of a dispute resolution panel as the Chair of the panel.
- (6) The Adviser must consult with the parties on the composition of the dispute resolution panel (but the obligation to consult does not apply to a person who is later joined as a party).
- (7) A *decision* by the Adviser on the composition of the dispute resolution panel is final and binding on all parties to the relevant dispute.
- (8) If:
  - (a) a party, by written notice to the AER, objects to the Adviser exercising functions under this rule on the ground that the Adviser has an interest that may compromise, or would reasonably be seen to compromise, the Adviser's impartiality in relation to the relevant dispute; and
  - (b) the AER is satisfied that the Adviser has such an interest,a person must be appointed to act in the position of the Adviser under this rule with the written agreement of all parties or, if they have not agreed on such an appointment within 5 business days of the date of the objection, by the AER at the request of any party.
- (9) If:
  - (a) a party, by written notice to the AER, objects to a person's participation in proceedings under this Part as a member of a dispute resolution panel on the ground that the person has an interest that compromises, or would reasonably be seen to compromise, the person's impartiality in relation to the relevant dispute; and
  - (b) the AER is satisfied that the person has such an interest,the person is not eligible to be appointed, and must not remain, as a member of the dispute resolution panel.
- (10) A person who is about to be appointed as a member of a dispute resolution panel must disclose any such interest to the Adviser before appointment and, if the interest arises or the person becomes aware of it after appointment, the person must disclose the interest to the Adviser and the parties to the relevant dispute. The parties may, by written agreement, waive their right to require the person to withdraw from the proceedings.

- (11) A member of the pool who is a member, or former member, of a dispute resolution panel is eligible for appointment as a member of another dispute resolution panel.

### **135HE Parties to proceedings before the panel**

- (1) The dispute resolution panel may resolve any question about who are the parties to the relevant dispute and:
  - (a) may permit or order a person to join, or be joined, as party to the proceedings before the panel; or
  - (b) may permit the withdrawal or order the exclusion of a person as party to the proceedings before the panel.
- (2) If a person is joined as a party after proceedings have commenced, the panel must give the party a written notice setting out:
  - (a) the names of the other parties to the relevant dispute; and
  - (b) a brief history of the relevant dispute and the circumstances giving rise to it; and
  - (c) the results of any earlier dispute resolution processes undertaken in relation to the relevant dispute under these rules; and
  - (d) if the person has been involuntarily joined as a party to the proceedings by order of the panel – a statement of the grounds on which the panel has made the order.

### **135HF Dispute resolution panel to have regard to substance over form**

- (1) A dispute resolution panel:
  - (a) must determine the real questions in controversy between the parties; and
  - (b) is not bound by the parties' formulation of those questions.
- (2) A dispute resolution panel:
  - (a) is not bound by the rules of evidence and may inform itself in any way it thinks fit; but
  - (b) must observe the rules of natural justice.

### **135HG Proceedings of the dispute resolution panel**

- (1) The dispute resolution panel may give the parties such directions as it considers necessary for the proper conduct of the proceedings.
- (2) The directions may (for example) include one or more of the following:



- (a) a direction as to the place where the proceedings are to be conducted (which may include premises of a party);
  - (b) a direction requiring the parties to prepare and exchange written submissions or other documents;
  - (c) a direction limiting or prohibiting the cross-examination of witnesses;
  - (d) a direction that the proceedings or part of the proceedings be conducted solely on the basis of documentary evidence or written submissions;
  - (e) a direction that the party provide the panel with all information in its possession that is relevant to the relevant dispute;
  - (f) a direction that the party provide information relevant to the relevant dispute to another party;
  - (g) a direction to a party to which information is to be provided relating to the use and disclosure of the information by that party (including a direction to keep information confidential);
  - (h) a direction that a party enter into a confidentiality agreement, and any other person to whom the information may be disclosed by that party enter into a confidentiality agreement, before the information is provided;
  - (i) a direction specifying the time within which, the means by which and the form in which the information is to be provided;
  - (j) a direction specifying the terms and conditions of a confidentiality agreement that a party or other person is to enter into.
- (3) A direction under this rule is binding on each party to which it is given and the party must comply with it.
- (4) The panel may, with the consent of all parties, refer a relevant dispute for mediation.

### **135HH Decisions of the dispute resolution panel**

- (1) A *decision* agreed by a majority of the members of a dispute resolution panel is a *decision* of the panel and, if the panel consists of 2 members who are unable to reach a unanimous *decision*, the Chair's *decision* is the *decision* of the panel.
- (2) A dispute resolution panel must decide a relevant dispute as quickly as possible and, in any case, within any maximum time limit fixed for the relevant dispute by these rules.
- (3) However, the panel may extend a maximum time limit if:
  - (a) all parties agree in writing; or

- (b) the panel recommends the extension to the Adviser (after taking into account possible prejudice to the parties) and the Adviser agrees in writing to the extension; or
- (c) the panel refers the relevant dispute for mediation.

### **135HI Determination of relevant disputes**

- (1) The dispute resolution panel may make a determination:
  - (a) requiring a party to the relevant dispute to do all or any of the following:
    - (i) to take specified action;
    - (ii) to cease or refrain from taking specified action;
    - (iii) to pay a monetary amount to another party to the relevant dispute; and
  - (b) granting any other form of relief that may be appropriate in the circumstances; and
  - (c) fixing the time for compliance with the determination.
- (2) A determination of a dispute resolution panel is binding on all parties to the relevant dispute.
- (3) As soon as practicable after complying with the determination of a dispute resolution panel, the person required to comply must report to the Adviser.
- (4) Non-compliance with the determination is a breach of these rules in respect of which the AER may take action in accordance with the *NGL*.

## **Division 4 Miscellaneous**

### **135J Legal representation**

- (1) A person is entitled to be represented by a lawyer in proceedings under this Part.
- (2) A dispute resolution panel may give any direction it considers appropriate about the role of the parties' legal representatives in the proceedings.

### **135JA Costs of Adviser, dispute resolution panel etc**

- (1) The costs of Stage 1 and Stage 2 dispute resolution processes including the costs of the Adviser, a member of the pool, or a dispute resolution panel in relation to a relevant dispute are to be borne by the parties to the relevant dispute.
- (2) Subject to a determination by the dispute resolution panel, the costs are to be borne:

- (a) as agreed by the parties; or
  - (b) if there is no agreement – equally.
- (3) The dispute resolution panel may, on application by an interested party, alter the allocation of costs under subrule (2) if satisfied that a party unreasonably prolonged the relevant dispute or that there is some other good reason to alter the allocation of costs under that subrule.

### **135JB Settlement by agreement**

- (1) The parties to proceedings for the resolution of a relevant dispute may settle the proceedings by a written agreement between them.
- (2) An agreement under this rule is binding on the parties.

**Note:**

A monetary amount to which a party is entitled under the agreement is recoverable under section 91H of the *NGL*.

- (3) Non-compliance with an agreement for the settlement of a relevant dispute is a breach of these rules in respect of which the AER may take action in accordance with the *NGL*.

### **135JC Publication of determinations**

- (1) A dispute resolution panel must, on making a determination, provide the AER with a copy of the determination from which confidential information has been excluded.
- (2) The AER must publish the determination in the form in which it was provided under subrule (1).

## **Part 15D Gas statement of opportunities**

### **135K Definitions**

In this Part:

**participating jurisdiction** does not include Western Australia or the Northern Territory unless this Part applies in the relevant jurisdiction.

**peak day capacity**

- (a) when used in reference to a pipeline – means the maximum daily quantity of natural gas that can be transported through the pipeline under normal operating conditions;
- (b) when used in reference to a production facility – means the maximum daily production capacity of the production facility under normal operating conditions;
- (c) when used in reference to a storage facility – means the maximum quantity of natural gas that the storage facility can hold in storage and the maximum daily quantity of natural gas that the storage facility can withdraw, inject or produce.

### **135KA Application**

- (1) This Part does not apply in Western Australia until a day fixed by or under legislation of that State.
- (2) This Part does not apply in the Northern Territory until a day fixed by or under legislation of that Territory.

### **135KB Contents of gas statement of opportunities**

- (1) The gas statement of opportunities must contain, for each participating jurisdiction, for the period of 10 years commencing on 1 January in the year of its publication, information about:
  - (a) natural gas reserves (including prospective or contingent resources); and
  - (b) annual and peak day capacity of, and constraints affecting, gas production facilities; and
  - (c) committed and proposed new or expanded gas production facilities; and
  - (d) projected demand for natural gas (including annual and peak day forecasts) for each demand zone; and
  - (e) annual and peak day transmission capacity and constraints (including interconnection constraints); and

- (f) peak day capacity of, and constraints on, storage facilities; and
  - (g) committed and proposed new transmission pipelines and pipeline augmentations; and
  - (h) committed and proposed new or expanded storage facilities.
- (2) The gas statement of opportunities must also, if practicable, include forecasts of reserves and annual demand for a further period of 10 years from the end of the period of 10 years referred to in subrule (1).
- (3) Forecasts made for the purposes of the gas statement of opportunities must be made as far as possible on a consistent basis.

### **135KC Revision of gas statement of opportunities**

The gas statement of opportunities must be revised and re-published by 31 March each year.

### **135KD Publication of supplement to gas statement of opportunities**

If significant and verifiable new information relevant to the gas statement of opportunities is brought to AEMO's attention, AEMO must publish on its website as soon as practicable a supplement to the gas statement of opportunities:

- (a) summarising the new information; and
- (b) indicating how the gas statement of opportunities is affected by the new information.

## Part 16 Confidential information

### 136 Interpretation

In this Part:

**confidential information** means information:

- (a) provided to a Registered participant or to AEMO under or in connection with these rules or the Procedures or derived from information so provided; and
- (b) classified by or under these rules or the Procedures, or by AEMO, the AER or the AEMC, as confidential information.

**distribution pipeline** includes a pipeline that would, if classified, be likely to be classified as a distribution pipeline.

**gas supply information** means information obtained by a service provider (but not from a public source) about a person's:

- (a) use or prospective use of pipeline services; or
- (b) acquisition or consumption, or prospective acquisition or consumption, of natural gas.

**improper** – disclosure or use of relevant confidential information is improper if the information is disclosed or used contrary to this Part.

**recognised stock exchange** means:

- (a) a stock exchange that is a member of the World Federation of Exchanges; or
- (b) an approved stock exchange within the meaning of section 470 of the *Income Tax Assessment Act 1936* (Cth).

**relevant confidential information** means:

- (a) information given to a service provider in confidence by a user or prospective user or information about a user or prospective user that the user or prospective user has asked the service provider to keep confidential; or
- (b) gas supply information.

### 137 Maintenance of confidentiality

- (1) A *scheme pipeline service provider* must not:
  - (a) disclose relevant confidential information; or

- (b) use relevant confidential information for a purpose other than the purpose for which the information was given to the service provider.
- (2) A *scheme pipeline service provider* must take all practicable steps to protect relevant confidential information in the service provider's possession against improper disclosure or use.
- (3) This rule does not, however, prevent:
  - (a) disclosure or use of relevant confidential information with the consent of the person to whom the information relates; or
  - (b) disclosure or use of information that is in the public domain; or
  - (c) disclosure or use of relevant confidential information:
    - (i) as required or authorised by or under the *NGL*, the *NERL*, or related rules or procedures; or
    - (ii) as required or authorised by or under the *law* of a participating jurisdiction; or
    - (iii) in order to comply with an order of a court or tribunal; or
    - (iv) as required by the listing rules of a recognised stock exchange.
- (4) A duty imposed by this rule is a *non-delegable duty*.

**Note:**

This rule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This rule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

## 138 **Obligation to disclose gas supply information in certain circumstances**

- (1) A service provider must, at the request of a person to whom gas supply information relates (the **relevant person**), or a person who makes the request with the consent of the relevant person, disclose gas supply information relating to the relevant person.
- (2) A service provider may charge a reasonable fee for providing the requested information.

**Note:**

This rule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This rule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

## **138A General confidentiality obligation of Registered participant**

- (1) A Registered participant must keep confidential any confidential information that comes into the participant's possession or control in the course of the participant's business.
- (2) A Registered participant:
  - (a) must not disclose confidential information except as permitted by these rules or the Procedures; and
  - (b) must only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by these rules or the Procedures; and
  - (c) must not permit unauthorised persons to have access to confidential information.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (3) A Registered participant must use all reasonable endeavours to prevent unauthorised access to confidential information in its possession or control.
- (4) A service provider for a distribution pipeline must not disclose to a user that is a related body corporate of the service provider confidential information about a user that is not a related body corporate of the service provider.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (5) This rule does not prevent:
  - (a) the use or disclosure of information that has entered the public domain; or
  - (b) the disclosure, subject to subrule (4), of information for the purposes of these rules or the Procedures or for obtaining advice about the application of these rules or the Procedures to officers, employees, auditors or professional advisers of the Registered participant or a related body corporate; or



- (c) the use or disclosure of confidential information with the consent of the person to whom the duty of confidentiality is owed; or
- (d) the use or disclosure of information as required by law or a lawful requirement imposed by a government agency, stock exchange or other authority or body; or
- (e) the use or disclosure of information for the purposes of legal proceedings (including dispute resolution processes under these rules, arbitration proceedings, proceedings for an expert determination of a disputed question, or proceedings by way of mediation or some other alternative dispute resolution mechanism); or
- (f) the use or disclosure of information to protect the safety of any person or property; or
- (g) the use or disclosure of information reasonably required in connection with the Registered participant's financing arrangements, investment in the Registered participant, or a disposal of the Registered participant's assets; or
- (h) the disclosure of information to AEMO, the AER, the AEMC or the ACCC or another regulatory body having jurisdiction over the Registered participant; or
- (ha) the use or disclosure of confidential information as required or authorised by or under the *NGL*, the *NERL*, or related rules or procedures; or

**Note**

This would include (for example) the disclosures required under a RoLR scheme (as defined in Part 6 of the *NERL*).

- (i) the use or disclosure of information of a historical nature for the preparation of a report under these rules or the Procedures; or
  - (j) the use or disclosure of information in an aggregated or other form in which its confidential aspects cannot be identified; or
  - (k) the use or disclosure of trivial information; or
  - (l) the use or disclosure by a Registered participant of information derived from information provided to AEMO by or on behalf of the Registered participant.
- (6) A Registered participant that proposes to disclose information under subrule (5)(b), (d) or (h) must inform the person to whom disclosure is proposed of the confidentiality of the information.
- (7) A Registered participant is liable to indemnify the AEMC, the AER and AEMO against loss or damage sustained as a result of a breach of this rule by the Registered participant or an officer, employee or agent of the Registered participant.

- (8) When confidential information is disclosed either in accordance with or in breach of this rule, the duty of confidentiality imposed by this rule extends to the person to whom the information is disclosed.
- (9) The obligations of a Registered participant with regard to confidential information extend to an Intending participant.

### **138AB Information policies**

AEMO must, in consultation with the AEMC, develop and implement policies:

- (a) to protect from unauthorised use or disclosure information acquired under these rules; and
- (b) to provide for dissemination of such information, where appropriate, among Registered participants.

### **138AC Discovery address data**

- (1) This rule applies only in relation to information relevant to the NSW/ACT regulated retail gas market.
- (2) A network operator incurs no civil liability to a person that relies to its detriment on discovery address data that is incorrect, incomplete or out-of-date.
- (3) A network operator is, by force of this subrule, entitled to be indemnified by a user against a liability incurred by the network operator that arises from a user's use of information in a DPI full listing for a purpose not authorised or permitted by the Procedures.
- (4) For this rule, **network operator**, **discovery address data**, and **DPI full listing** have the meanings assigned by the Procedures governing the administration and operation of the NSW/ACT regulated retail gas market.

**Note:**

This rule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

## **Part 17                      Miscellaneous**

### **139                      General regulatory information order (Section 50 of the NGL)**

In making a general regulatory information order, the AER must proceed in accordance with the *standard consultative procedure*.

### **140                      Preparation of service provider performance report (Section 64 of the NGL)**

- (1) Before the AER embarks on the preparation of service provider performance reports, the AER must consult with:
  - (a) service providers; and
  - (b) bodies representative of the pipeline industry and users of pipeline services; and
  - (c) the public generally;

in order to determine appropriate priorities and objectives to be addressed through the preparation of service provider performance reports.
- (2) In the course of preparing a service provider performance report, the AER:
  - (a) must consult with the service provider or service providers to which the report is to relate; and
  - (b) must consult with the relevant jurisdictional safety and technical regulator about relevant safety and technical obligations; and
  - (c) may consult with any other persons who have, in the AER's opinion, a proper interest in the subject matter of the report; and
  - (d) may consult with the public.
- (3) A service provider to whom the report is to relate:
  - (a) must be allowed an opportunity, at least 30 business days before publication of the report, to submit information and to make submissions relevant to the subject matter of the proposed report; and
  - (b) must be allowed an opportunity to comment on material of a factual nature to be included in the report.

## Part 18 Natural Gas Services Bulletin Board

### Division 1 Interpretation and application

#### 141 Interpretation

- (1) In this Part:

**auction facility** has the meaning given in Part 25.

**auction service** has the meaning given in Part 25.

**auction service curtailment information** means for an auction service provided by means of an auction facility for a gas day, the curtailed quantity for that gas day for all transportation capacity sold in the capacity auction for use of the auction service on that gas day.

**BB allocation agent** means a person who determines, in respect of a BB allocation point, the allocation of deliveries or receipts of natural gas among users of the BB allocation point.

**BB allocation point** means each:

- (a) service point for a Part 24 facility registered under Part 24; and
- (b) system injection point and system withdrawal point (each as defined in Part 19) for which an Allocation Agent (as defined in Part 19) is appointed under Part 19,

excluding, in each case, a point at which the allocation of deliveries or receipts of natural gas is determined under the Retail Market Procedures.

**BB auction facility** means a BB facility that is an auction facility and subject to the capacity auction. If only part of a BB facility is an auction facility, that part is a BB auction facility.

**BB capacity transaction** means a secondary capacity transaction that:

- (a) relates to transportation capacity for use of a BB transportation service, whether or not the transaction relates to any other matter; and
- (b) is not an excluded transaction.

**BB facility** means a BB production facility, a BB pipeline or a BB storage facility.

**BB information standard** is defined in rule 164.

**BB participant** means a person that is registered by AEMO under this Part.

**BB pipeline** means a BB transmission pipeline that meets the applicable reporting threshold.

**BB production facility** means a production facility that meets the applicable reporting threshold.

**BB reporting entity** means:

- (a) a facility operator registered under this Part as the BB reporting entity for one or more BB facilities;
- (b) a BB allocation agent registered under this Part as the BB reporting entity for one or more BB allocation points; and
- (c) in relation to a BB capacity transaction, a person required to provide to AEMO capacity transaction information for that BB capacity transaction under Subdivision 5.8 of Division 5.

**BB shipper** means a person who is, or has a right to be, provided with a service by means of a BB facility including a person who:

- (a) is a party to a contract with a facility operator for a BB facility under which the facility operator provides or intends to provide a service to that person by means of a BB facility;
- (b) has a right under an access determination to be provided with a pipeline service by means of a BB pipeline; or
- (c) a facility operator for a BB facility or any associate of a facility operator for a BB facility who uses or intends to use a service provided by means of the BB facility.

**BB storage facility** means a gas storage facility that meets the applicable reporting threshold.

**BB storage provider** means a facility operator for a BB storage facility.

**BB terms of use** means the terms and conditions on which BB users are granted access to the Bulletin Board and which are set out in the BB Procedures.

**BB transmission pipeline** means:

- (a) a pipeline that is a transmission pipeline; or
- (b) a pipeline that would be likely to be classified in accordance with the pipeline classification criterion as a transmission pipeline.

**Note:**

A gathering line is part of a gathering system and as such is excluded from the definition of BB transmission pipeline by reason of paragraph (f) of the definition of “pipeline” in section 2 of the *NGL*. A gathering line that collects coal seam methane will be similarly excluded.

**BB transportation facility user** means a person registered in that capacity under Subdivision 3.3B of Division 3.

**BB transportation service** means:

- (a) a pipeline service that is or is in the nature of:
    - (i) a forward haul service or a backhaul service (whether or not described by another name);
    - (ii) a service for the storage of natural gas (sometimes called a park service); or
    - (iii) a service for the borrowing of natural gas (sometimes called a loan service); and
  - (b) a service provided by means of a compression service facility,
- but does not include a pipeline service provided by means of a distribution pipeline.

**BB user** means:

- (a) a BB participant; and
- (b) any other person who accesses information on the Bulletin Board.

**Bulletin Board** means the Natural Gas Services Bulletin Board.

**capacity auction** means the capacity auction established by AEMO under Part 25.

**capacity seller** means, in relation to a secondary capacity transaction, a person disposing of a right to use transportation capacity under that secondary capacity transaction.

**capacity transaction information** has the meaning given in rule 141(2A).

**capacity transaction reporting agent** means a person registered with AEMO in that capacity under Subdivision 3.3B of Division 3.

**closely related entity** means, in relation to an entity (the **first entity**):

- (a) an entity that is a closely held subsidiary of the first entity; or
- (b) where the first entity is a closely held subsidiary of another entity (**holding entity**), the holding entity; or
- (c) an entity that is a closely held subsidiary of a holding entity of the first entity,

where “**closely held subsidiary**” has the meaning given in section 214 of the Corporations Act 2001 of the Commonwealth.

**commissioned** means:

- (a) for a BB facility that is not a pipeline, the date when the BB facility is first used on a commercial basis (whether for the benefit of a facility operator of the BB facility or for someone else); and
- (b) for a pipeline, the date the pipeline is commissioned as defined in the *NGL*.

**curtailed quantity** means for a gas day and a transportation service, the amount (in GJ) by which the scheduled quantity for the transportation service for the gas day is less than the nomination for use of the transportation service on that gas day, but not including any part of a nomination not included in the scheduled quantity because it exceeds the quantity of transportation capacity held by the person making the nomination.

**curtailment** has the meaning given in Part 24.

**daily capacity** means:

- (a) for a production facility, the quantity of natural gas that can be injected into one or more pipelines from the facility on a gas day for the facility;
- (b) for a pipeline, for each direction in which natural gas can be transported on the pipeline, the quantity of natural gas that can be transported through the pipeline on a gas day for the pipeline in that direction;
- (c) for a gas storage facility, each of:
  - (i) the quantity of natural gas that can be withdrawn from the gas storage facility for injection into another facility on a gas day for the gas storage facility;
  - (ii) the quantity of natural gas that the gas storage facility can receive and process into storage on a gas day for the facility; and
  - (iii) the quantity of natural gas that the gas storage facility can hold in storage on a gas day for the facility;
- (d) [intentionally left blank];
- (e) for a receipt point on a pipeline, the quantity of natural gas that can be injected into the pipeline through the receipt point on a gas day for the pipeline; and
- (f) for a delivery point on a pipeline, the quantity of natural gas that can be withdrawn from the pipeline through the delivery point on a gas day for the pipeline.

**daily flow data** means, for a BB pipeline:

- (a) the quantity of natural gas that is metered as having been, or estimated in good faith by the pipeline operator to have been, injected at each receipt point on the pipeline on a gas day; and
- (b) the quantity of natural gas that is metered as having been, or estimated in good faith by the pipeline operator to have been, withdrawn at each delivery point on the pipeline on the gas day.

**daily production data** means:

- (a) for a BB production facility, the quantity of natural gas that is metered as having been, or estimated in good faith by the facility operator to have been, injected into one or more pipelines from the production facility on a gas day;
- (b) for a BB storage facility:
  - (i) the quantity of natural gas that is metered as having been, or estimated in good faith by the BB storage provider to have been, withdrawn from the facility on a gas day; and
  - (ii) the quantity of natural gas that is metered as having been, or estimated in good faith by the BB storage provider to have been, injected into the facility on the gas day.

**delivery point** means a *delivery or receipt point* when it is used for withdrawal (that is, delivery) of natural gas from a pipeline.

**detailed facility information** has the meaning in rule 169(4).

**distribution system** means a system of distribution pipelines and associated equipment that supplies natural gas withdrawn from one or more BB pipelines to multiple end users, but excludes a transmission pipeline.

**excluded transaction** means:

- (a) the use of transportation capacity to satisfy an obligation to deliver natural gas under an agreement for the supply of natural gas;
- (b) an agreement to swap a quantity of natural gas at a location for a quantity of natural gas at another location;
- (c) a novation of an agreement with a transportation service provider (by termination and replacement with an agreement with the transportation service provider in the same or similar terms); or
- (d) a related party transaction.

**facility operator** means for:

- (a) a BB production facility: each producer, user or non-scheme pipeline user who owns, operates or controls the BB production facility;



- (b) a BB transmission pipeline: each service provider or gas market operator for the BB transmission pipeline;
- (c) a BB storage facility: each storage provider for the BB storage facility.

**facility operator group** is defined in rule 152.

**gas day** means in respect of a BB facility, the 24 hour period for which nominations are provided, commencing at the time advised by the facility operator under rule 170.

**gas storage facility** means a facility for storing natural gas for injection into a pipeline.

**gas trading exchange** means the gas trading exchange established under Part 22.

**gate station** means a delivery point that serves a distribution system.

**GJ** means gigajoule.

**GSH Operator** means AEMO or a person appointed under Part 22 from time to time to perform the role of Operator under that Part.

**LCA flag** for:

- (a) a BB pipeline for a gas day means a green, amber or red flag indicating the actual or expected capability of the BB pipeline to meet the aggregated nominations for withdrawals from the BB pipeline for that gas day based on the pipeline's linepack and capacity
- (b) [intentionally left blank].

**Note:**

The meaning of a green, amber or red flag is specified in the BB Procedures.

**lateral gathering pipeline** means a pipeline:

- (a) operated as part of an upstream producing operation; and
- (b) used principally to transport natural gas for injection into a BB facility operated as part of the upstream producing operation where that BB facility is not itself a lateral gathering pipeline.

**material change** means:

- (a) in respect of nameplate rating information for a BB facility, the information is no longer accurate due to changes in the capacity of the BB facility that are likely to impact the BB facility for more than one year;
- (b) [intentionally left blank];

- (c) in respect of a short term capacity outlook for a BB facility, a change to the short term capacity outlook that exceeds the greater of 10% of the nameplate rating of the BB facility and 30 TJ; and
- (d) in respect of information about nominated or forecast use of a service provided by means of a BB facility, a change to the nomination or forecast that exceeds the greater of 10% of the nameplate rating of the BB facility and 30 TJ.

**medium term capacity outlook** for a BB facility means information about matters expected to affect the daily capacity of the BB facility, for an outlook period of 12 months beyond the current short term capacity outlook provided by the relevant facility operator including the information required under rule 181.

**nameplate rating** has the meaning given in rule 141(2).

**nomination** means the natural gas quantities notified by a BB shipper to the relevant facility operator to specify the BB shipper's intended use of a service provided by means of a BB facility for a period of time.

**NT application date** means the date falling 90 days after the date on which the first NT interconnector is commissioned.

**NT interconnector** means a transmission pipeline capable of transporting natural gas between a location in the Northern Territory and a location in Queensland, New South Wales or South Australia and that is not a remote pipeline.

**Part 18 replacement date** means the date on which the rule by which this definition was inserted in the National Gas Rules came into effect.

**Part 24 facility** has the meaning given in Part 24.

**pipeline operator** means a facility operator for a BB pipeline.

**primary pipeline capacity** means firm capacity on a BB pipeline that is sold by a pipeline operator to a BB shipper, giving the buyer the right to transport an agreed quantity of natural gas on that pipeline for an agreed period.

**production facility** means a facility at which natural gas is produced so that it is in a form suitable for injection into one or more BB pipelines.

**production facility operator** means a facility operator for a BB production facility.

**receipt point** means a *delivery or receipt point* when it is used for injection (i.e. receipt) of natural gas into a pipeline.

**registered BB shipper** means a BB shipper registered with AEMO under Subdivision 3.5 of Division 3.

**related party transaction** means a secondary capacity transaction where each party to the transaction is a closely related entity in relation to each other party to the transaction.

**remote BB facility** means a BB facility that is or is connected to a remote pipeline.

**remote pipeline** means a transmission pipeline that:

- (a) is not an STTM facility or part of a declared transmission system;
- (b) is not a pipeline on which natural gas sold through the gas trading exchange may be physically delivered or received or through which such natural gas may be transported;
- (ba) is not a Part 24 facility; and
- (c) is not connected directly or indirectly to a pipeline satisfying paragraph (a), (b) or (ba) of this definition.

**renomination** has the meaning given in Part 24.

**reporting threshold** means:

- (a) in relation to a production facility: that the nameplate rating of the production facility is, or (in the case of a proposed production facility) will be, equal to or more than 10 TJ of natural gas per day;
- (b) in relation to a pipeline: that the nameplate rating of the pipeline is, or (in the case of a proposed pipeline) will be, equal to or more than 10 TJ of natural gas per day;
- (c) in relation to a gas storage facility: that the production nameplate rating of the gas storage facility is, (or in the case of a proposed gas storage facility) will be, equal to or more than 10 TJ of natural gas per day.

**responsible facility operator** is defined in rule 152.

**scheduled quantity** has the meaning given in Part 25.

**secondary capacity transaction** has the meaning given in the *NGL*.

**Note:**

The term secondary capacity transaction includes bare transfers and operational transfers.

**service point** has the meaning given in Part 24.

**service term** means, in relation to a secondary capacity transaction, the period over which the capacity seller's right to use transportation capacity is transferred or otherwise made available to the other party to the transaction.

**short term capacity outlook** means:

- (a) for a BB facility, on any gas day, the facility operator's good faith estimate of the daily capacity of the BB facility for each of gas days D+1 to D+7;
- (b) [intentionally left blank].

**STTM facility** is defined in Part 20.

**TJ** means terajoule.

**trade date** means, for a secondary capacity transaction, the date on which the transaction is entered into.

**transfer**, in relation to transportation capacity, has the meaning given in the *NGL*.

**transportation service point register** has the meaning given in Part 24.

**uncontracted primary pipeline capacity** means primary pipeline capacity that a pipeline operator has available for sale or that it will have available for sale.

**uncontracted storage capacity** means in respect of a BB storage facility the combination of:

- (a) the capacity in the BB storage facility;
- (b) the capacity for injection of gas into the BB storage facility; and
- (c) the capacity for withdrawal of gas from the BB storage facility

that a BB storage provider has available for sale or that it will have available for sale.

**zone** has the meaning given in Part 24.

(2) In this Part the term **nameplate rating**:

- (a) when used in the context of:
  - (i) a production facility; or
  - (ii) a transmission pipeline,

means the maximum daily capacity of the facility under normal operating conditions;

- (b) when used in the context of a gas storage facility means each of:
  - (i) the maximum quantity of natural gas that can be withdrawn from the gas storage facility for injection into another facility on a gas day under normal operating conditions (the **production nameplate rating**);

- (ii) the maximum quantity of natural gas that the gas storage facility can receive and process into storage on a gas day under normal operating conditions (the **refill nameplate rating**); and
    - (iii) the maximum quantity of natural gas that the gas storage facility can hold in storage under normal operating conditions (the **storage nameplate rating**);
  - (c) when used in the context of a gate station means the maximum quantity of natural gas that can be transported through that gate station on a gas day under normal operating conditions; and
  - (d) when used in the context of a receipt point or delivery point, means the maximum daily capacity of the receipt point or delivery point under normal operating conditions.
- (2A) In this Part, the term **capacity transaction information** means the following categories of information in relation to a BB capacity transaction or the transportation service to which the BB capacity transaction relates:
- (a) the identity of the parties to the transaction and which of the parties is a capacity seller in relation to the transaction;
  - (b) the trade date;
  - (c) the service term;
  - (d) the transportation facility by means of which the transportation service is provided;
  - (e) except where the transaction is concluded through the gas trading exchange, whether the transaction is on the same or substantially the same terms as the standard OTSA published under Part 24 for the transportation facility;
  - (f) where the transaction is concluded through the gas trading exchange, whether the transaction is a pre-matched trade (as defined in the exchange agreement for the gas trading exchange);
  - (g) the BB transportation service to which the transaction relates;
  - (h) the priority given to the transportation service to which the transaction relates (such as firm, as available or interruptible);
  - (i) as relevant to the transportation service:
    - (i) in the case of a forward haul or backhaul service, the direction of service; and
    - (ii) where required by the BB Procedures, each service point at or between which the service is provided, and, where the relevant transportation facility is a Part 24 facility, by reference to the

specification of the service point in the transportation service point register;

- (j) the transaction quantity the subject of the transaction, expressed as a maximum daily quantity or MDQ (in GJ/day);
  - (k) except where the transaction is concluded through the gas trading exchange, the maximum hourly quantity (or MHQ) for the transportation service (in GJ/hour);
  - (l) the transaction price (in \$/GJ/day) excluding any amount on account of GST, as defined in the A New Tax System (Goods and Services Tax) Act 1999 of the Commonwealth;
  - (m) the price structure applicable to the transaction, for example whether it is a fixed price or a variable price or a combination of the two; and
  - (n) any price escalation mechanism applicable to the transaction.
- (3) In this Part a reference to a quantity of natural gas is to an energy quantity (expressed in whole TJ unless otherwise specified), rather than a volumetric or other quantity.
- (4) In this Part, in relation to a BB reporting entity, a reference to:
- (a) “its” BB facility is a reference to each BB facility for which it is registered as the BB reporting entity; and
  - (b) “its” BB allocation point is a reference to each BB allocation point for which it is registered as the BB reporting entity.
- (5) In this Part, a reference to:
- (a) gas day D is a reference to whichever gas day is designated by the relevant rule;
  - (b) gas day D-n is a reference to the gas day occurring n gas days before gas day D; and
  - (c) gas day D+n is a reference to the gas day occurring n gas days after gas day D.

## **142 This Part does not apply in Western Australia**

This Part does not apply in Western Australia until the day fixed in an order under section 20A of the National Gas Access (Western Australia) Law within the meaning of the *National Gas Access (WA) Act 2009* of Western Australia.

## **143 Application to BB facilities located in the Northern Territory**

- (1) Until the NT application date, this Part does not apply to:

- (a) a BB facility in the Northern Territory commissioned on or before the NT application date;
  - (b) [intentionally left blank]
  - (c) [intentionally left blank].
- (2) Until the NT application date, this Part does not apply to:
  - (a) a person in the capacity of facility operator of a BB facility mentioned in subrule (1);
  - (b) [intentionally left blank].
- (3) On and from the NT application date, this Part applies to BB facilities mentioned in subrule (1) and the facility operators mentioned in subrule (2) in the capacity mentioned in that subrule as if each reference in Division 3 to the Part 18 replacement date were a reference to the NT application date.

#### **144 Application to remote BB facilities**

- (1) This Part does not apply in respect of:
  - (a) a remote BB facility, for so long as the BB facility is a remote BB facility; or
  - (b) a person in the capacity of facility operator of a remote BB facility, for so long as the BB facility is a remote BB facility.
- (2) This Part applies to a former remote BB facility and a person in the capacity of facility operator of a former remote BB facility as if each reference in Division 3 to the Part 18 replacement date were a reference to the date on which the former remote BB facility ceased to be a remote BB facility.

### **Division 2 Bulletin Board**

#### **145 Purpose of the Bulletin Board**

The purpose of the Bulletin Board is to make information available to BB users to facilitate:

- (a) trade in natural gas and natural gas services;
- (b) informed and efficient decisions in relation to the provision and use of natural gas and natural gas services; and
- (c) negotiations for access to BB pipelines.

## **146 Maintaining the Bulletin Board**

AEMO must maintain the Bulletin Board in accordance with the *NGL*, the Rules and the BB Procedures.

## **147 AEMO to maintain BB Register**

- (1) AEMO must establish and maintain a register, in the form specified in the BB Procedures, that includes particulars of each:
  - (a) facility operator for each BB facility;
  - (b) BB facility and its BB reporting entity;
  - (c) [intentionally left blank];
  - (d) [intentionally left blank];
  - (e) [intentionally left blank];
  - (f) BB allocation point and its BB reporting entity;
  - (g) BB transportation facility user; and
  - (h) capacity transaction reporting agent.
- (2) AEMO must publish the register on the Bulletin Board.
- (3) AEMO must publish a notice on the Bulletin Board of any of the following changes to the register as soon as practicable after it becomes aware of the change:
  - (a) a facility operator is included in the register or removed from the register;
  - (b) a BB facility is included in the register or removed from the register;
  - (c) a change to the identity of the BB reporting entity for a BB facility;
  - (d) a BB allocation agent is included in the register or removed from the register;
  - (e) a BB allocation point is included in the register or removed from the register; or
  - (f) a change to the identity of the BB reporting entity for a BB allocation point.
- (4) AEMO must publish a notice on the Bulletin Board of the NT application date as soon as practicable after it becomes aware of the date.



## **148 Information on compliance**

AEMO must, in accordance with any memorandum of understanding established between AEMO and the AER, notify the AER of any breaches, or possible breaches, of this Part that AEMO becomes aware of.

## **149 Biennial reports**

- (1) AEMO must, in consultation with BB users, the AER and the AEMC, prepare a report about the Bulletin Board at least every two years containing the information referred to in subrule (2).
- (2) Reports under subrule (1) must include:
  - (a) a summary of AEMO's program of work to maintain the Bulletin Board over the review period and on a forward looking basis;
  - (b) performance and usage statistics;
  - (c) any recommendations for change; and
  - (d) other information that AEMO considers relevant.
- (3) AEMO must publish each report under subrule (1) on its website.

## **Division 3 Register and registration**

### **Subdivision 3.1 Registration of facility operators and BB facilities**

## **150 Registration obligations of facility operators**

- (1) A facility operator who is not already registered under this Part as a facility operator must apply to AEMO to register under this Part in that capacity.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (2) An application under subrule (1) must be made no later than:
  - (a) in the case of a person who is a facility operator on the Part 18 replacement date: 20 business days after the Part 18 replacement date; and
  - (b) otherwise, 20 business days after the person first becomes a facility operator.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

## 151 Obligation to register BB facilities

- (1) The facility operator for a BB facility must apply to AEMO to:
  - (a) register the BB facility under this Part, if the BB facility is not already registered under this Part; and
  - (b) be registered under this Part as the BB reporting entity for the BB facility.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (2) An application under subrule (1) must be made no later than:
  - (a) in the case of a BB facility commissioned on or before the Part 18 replacement date: 20 business days after the Part 18 replacement date; and
  - (b) otherwise, 20 business days before the date the BB facility is commissioned.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

## 152 Registration by members of facility operator groups

- (1) If there is more than one facility operator for a BB facility, each facility operator for the BB facility is taken to be a member of a **facility operator group** for that BB facility (the **relevant BB facility**).
- (2) The members of a facility operator group may appoint one of the members in writing to be the **responsible facility operator** for the relevant BB facility for the purposes of this Part.
- (3) A responsible facility operator may apply on behalf of another member of its facility operator group to register that other member under this Part in the capacity of facility operator if the responsible facility operator has the written permission of that member of the facility operator group to do so.

**Note:**

All members of a facility operator group must apply to register under this Part in the capacity of facility operator. This subrule (3) allows the responsible facility operator to submit an application for a facility operator who is not otherwise registered.

- (4) The responsible facility operator of a facility operator group may apply on behalf of itself and all other members of the facility operator group to:
  - (a) register the relevant BB facility under this Part; and
  - (b) register the responsible facility operator under this Part as the BB reporting entity for the relevant BB facility.

- (5) An application for registration under this Part made by a facility operator in the capacity of responsible facility operator of a facility operator group must contain the information about the facility operator group specified in the BB Procedures.
- (6) If a responsible facility operator has registered as the BB reporting entity for the relevant BB facility, so long as that registration remains in effect:
  - (a) each other member of the facility operator group is exempt from the requirement to register the relevant BB facility and to register as the BB reporting entity for the relevant BB facility;
  - (b) the responsible facility operator is the BB reporting entity for the relevant BB facility;
  - (c) the responsible facility operator must update the information about the facility operator group provided under subrule (5) if there is any change;
  - (d) AEMO may fulfil any of AEMO's obligations under this Part to the members of the facility operator group by performing those obligations in relation to the responsible facility operator; and
  - (e) each member of the facility operator group must procure and where necessary must facilitate, the compliance of the responsible facility operator with its obligations under this Part.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

## **Subdivision 3.2 [Intentionally left blank]**

**153 [Intentionally left blank.]**

**154 [Intentionally left blank.]**

**155 [Intentionally left blank.]**

## **Subdivision 3.3 Change of operator and early registration**

### **156 Change of operator**

- (1) If the identity of the facility operator for a BB facility registered under this Part changes:
  - (a) the outgoing facility operator must notify AEMO of the change; and
  - (b) the new facility operator must apply to register under this Part as the BB reporting entity for the BB facility.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (2) [Intentionally left blank.]
- (3) If the identity of the responsible facility operator for a BB facility changes:
  - (a) the outgoing responsible facility operator must notify AEMO of the change; and
  - (b) the new responsible facility operator must apply to register under this Part as the new BB reporting entity for the BB facility.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (4) A notice under subrule (1) or (3) must be given no later than 5 business days after the change takes effect.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (5) An application for registration referred to in subrule (1) or (3) must be made no later than 5 business days after the change takes effect.

**Note:**

The registered BB reporting entity remains responsible for the provision of information under this Part until the new registration takes effect.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (6) Subrule (1) does not apply to a change in the identity of a facility operator in its capacity as a member of a facility operator group for a BB facility registered under this Part.

## **157 Change to facility operator group**

**Note:**

This rule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (1) If there is a change to the identity of the members of the facility operator group for a BB facility registered under this Part, the responsible facility operator must notify AEMO of the change.

- (2) [Intentionally left blank.]
- (3) A notice under subrule (1) must be given no later than 5 business days after the change takes effect.

## **158 Early registration application**

- (1) An application to register under this Part may be made:
  - (a) by a person who intends to become a facility operator;
  - (b) in respect of a proposed BB facility; or
  - (c) by a person intending to register as the BB reporting entity for a BB facility.
- (2) If an application provided for in subrule (1) is made in accordance with the requirements of this Part, the registration the subject of the application will take effect from the time determined by AEMO in accordance with the BB Procedures.

## **Subdivision 3.3A Registration of BB allocation agents and points**

### **158A Obligation to register as BB allocation agent**

- (1) A BB allocation agent who is not already registered under this Part as a BB allocation agent must apply to AEMO to register under this Part in that capacity.
- (2) An application under subrule (1) must be made no later than 20 business days after the person becomes a BB allocation agent.

### **158B Obligation to register BB allocation point**

- (1) The BB allocation agent for a BB allocation point must apply to AEMO to:
  - (a) register the BB allocation point under this Part, if the BB allocation point is not already registered under this Part; and
  - (b) be registered under this Part as the BB reporting entity for the BB allocation point.
- (2) An application under subrule (1) must be made no later than 20 business days after the relevant point becomes a BB allocation point.
- (3) If the identity of the BB allocation agent for a BB allocation point changes:
  - (a) the outgoing BB allocation agent must notify AEMO of the change; and
  - (b) the new BB allocation agent must apply to register under this Part as the BB reporting entity for the BB allocation point.

- (4) A notice under subrule (3) must be given no later than 5 business days after the change takes effect.
- (5) An application for registration referred to in subrule (3) must be made no later than 5 business days after the change takes effect.

**Note:**

The registered BB reporting entity remains responsible for the provision of information under this Part until the new registration takes effect.

### **Subdivision 3.3B Capacity trade registrations and appointments**

#### **158C Registrations for capacity transaction reporting**

- (1) A person may apply to AEMO to register as a BB transportation facility user under this Part.
- (2) A person may apply to AEMO to register as a capacity transaction reporting agent under this Part.
- (3) AEMO must register the GSH Operator in that capacity under this Part.

### **Subdivision 3.4 Application process**

#### **159 Applications for registration**

- (1) An application for registration under this Part must:
  - (a) be in the form specified by AEMO on the Bulletin Board; and
  - (b) contain the information specified by AEMO on the Bulletin Board.
- (2) AEMO may notify an applicant for registration within 5 business days if AEMO considers the application is incomplete or requires clarification.
- (3) If a notice is given under subrule (2) the applicant must, within 5 business days of the notice, provide to AEMO the information required to complete or clarify the application.

#### **160 AEMO to register**

- (1) AEMO must register an applicant under this Part as facility operator if the applicant has applied for registration in that capacity in accordance with rule 159.
- (2) AEMO must register a BB facility the subject of an application under this Part if an application for registration of the BB facility has been made in accordance with rule 159.

- (3) AEMO must register an applicant under this Part as the BB reporting entity for a BB facility if the applicant has applied for registration in that capacity in accordance with rule 159.
- (4) Where an application for registration is made by an intending operator or intending BB reporting entity or in respect of a proposed BB facility pursuant to rule 158, AEMO may defer the time at which registration takes effect to the time determined by AEMO in accordance with the BB Procedures.
- (5) AEMO must register an applicant as a BB allocation agent, BB transportation facility user or capacity transaction reporting agent under this Part if the applicant has applied for registration in that capacity in accordance with rule 159.
- (6) AEMO must register a BB allocation point the subject of an application under this Part if an application for registration of the BB allocation point has been made in accordance with rule 159.

## **161 Revocation of registration**

- (1) A BB participant must apply to AEMO to revoke its registration under Subdivision 3.1 or Subdivision 3.3A if the BB participant is no longer required by Subdivision 3.1 or Subdivision 3.3A to be registered.
- (2) A BB participant must apply to AEMO to revoke the registration under this Part of its BB facility or its BB allocation point if the BB facility or BB allocation point is no longer required by this Part to be registered.
- (3) An application under subrule (1) or (2) must:
  - (a) be in the form specified by AEMO on the Bulletin Board; and
  - (b) contain the information specified by AEMO on the Bulletin Board.
- (4) AEMO must revoke the registration the subject of an application under subrule (1) or (2) if AEMO is satisfied based on the information in the application that the relevant registration is no longer required by this Part.
- (5) AEMO must revoke the registration of a facility operator as the BB reporting entity for a BB facility when:
  - (a) AEMO has been given a notice under rule 156; and
  - (b) an application has been made to register a new BB reporting entity for the BB facility and the registration has taken effect.
- (6) AEMO must revoke the registration of a BB allocation agent as the BB allocation agent for a BB allocation point when:
  - (a) AEMO has been given a notice under subrule 158B; and

- (b) an application has been made to register a new BB allocation agent as the BB reporting entity for the BB allocation point and the registration has taken effect.
- (7) AEMO may revoke the registration of any other person under this Part on application by that person in the form and containing the information specified by AEMO on the Bulletin Board.

### **Subdivision 3.5 BB shipper registration and contact details**

#### **162 BB shipper registration**

- (1) A BB shipper may apply to AEMO to register in that capacity under this Part.
- (2) A registered BB shipper may apply to AEMO to have its registration under this Part revoked.
- (3) An application under subrule (1) or subrule (2) must be in the form and contain the information specified by AEMO on the Bulletin Board.
- (4) AEMO must register a BB shipper or revoke the registration of a registered BB shipper under this Subdivision if the applicant has applied for that registration or revocation in accordance with subrule (3).

#### **163 Provision of contact details**

- (1) Each BB participant and each user and non-scheme pipeline user that is a BB shipper must provide AEMO with *contact details* for posting on the Bulletin Board.
- (2) Any other person may provide AEMO with *contact details* for posting on the Bulletin Board.
- (3) *Contact details* provided pursuant to subrule (1) must be provided to AEMO on registration (in the case of a BB participant) and within 20 business days of becoming a BB shipper (in the case of a user or non-scheme pipeline user).
- (4) A person who has provided *contact details* pursuant to subrule (1) or (2) must tell AEMO as soon as reasonably practicable of any changes to those details.
- (5) The BB Procedures may specify the form and content of the *contact details* required or provided pursuant to this rule.



## **Subdivision 3.6 Exemptions from Division 5**

### **164 Availability and effect of exemptions**

- (1) AEMO may grant an exemption from the obligation to provide information under Division 5 in relation to a BB facility where the BB facility is a lateral gathering pipeline and where AEMO is satisfied in its discretion that the information relating to that BB facility is not material having regard to the purpose of the Bulletin Board in rule 145.
- (2) AEMO may grant an exemption from the obligation to provide information under one or more provisions in Division 5 in relation to a BB facility where AEMO is satisfied in its discretion that the information relating to that BB facility will be provided to AEMO by another person under this Part.
- (3) The BB reporting entity for a BB facility the subject of an exemption under subrule (1) is not required to report under Division 5 in relation to the BB facility for so long as the exemption continues.
- (4) The BB reporting entity for a BB facility the subject of an exemption under subrule (2) is not required to report in relation to the BB facility under the provisions in Division 5 to which the exemption applies for so long as the exemption continues.
- (5) The BB reporting entity for a BB facility may apply to AEMO for an exemption under subrule (1) or (2) for the BB facility. The application must be in the form and contain the information specified in the BB Procedures and the applicant must provide to AEMO any further information reasonably requested by AEMO to determine the application.
- (6) AEMO must use reasonable endeavours to determine an application under subrule (5) within 20 business days of all the information requested by AEMO being provided to it.
- (7) An exemption under subrule (1) or (2) must be in writing.
- (8) AEMO may revoke an exemption under subrule (1) or (2) at any time by giving not less than 20 days' notice to the BB reporting entity for the BB facility if AEMO is satisfied in all the circumstances that the exemption should be revoked.

## **Division 4 Information standard and related obligations**

### **165 Standard for information or data given under this Part or the BB Procedures**

- (1) A BB reporting entity required by a provision of this Part or the BB Procedures to give information or data to AEMO must:

- (a) prepare and submit that information or data; and
- (b) if applicable, maintain any equipment from which that information or data is derived,

in accordance with the BB information standard.

**Note:**

Section 223 of the *NGL* requires a person of the kind mentioned in the section who has possession or control of information in relation to natural gas services to give AEMO the information if the person is required to do so under the Rules. Section 223 is classified as a civil penalty provision.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (2) The **BB information standard** for information or data relating to a:
  - (a) BB facility means the practices, methods and acts that would reasonably be expected from an experienced and competent person engaged in the ownership, operation or control of a BB facility in Australia of that type;
  - (b) [intentionally left blank]; and
  - (c) BB allocation point means the practices, methods and acts that would reasonably be expected from an experienced and competent person engaged in the determination of allocations of receipts or deliveries of natural gas in Australia,in each case, acting with all due skill, diligence, prudence and foresight and in compliance with all applicable legislation (including these rules), authorisations and industry codes of practice.
- (3) Where this Part or the BB Procedures requires a BB reporting entity to update information or data provided to AEMO, the BB reporting entity must:
  - (a) do so each time facts or circumstances arise that require the information or data to be updated; and
  - (b) notify the updated information or data to AEMO as soon as practicable after the person becomes aware of the facts or circumstances that require the information or data to be updated and within any applicable timeframe specified in the BB Procedures.
- (4) A BB reporting entity required by a provision of this Part or the BB Procedures to update information or data provided to AEMO must:
  - (a) prepare and submit that updated information or data; and
  - (b) if applicable, maintain any equipment from which the updated information or data is derived,

in accordance with the BB information standard.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (5) AEMO is not required to verify the accuracy of information or data provided to AEMO under this Part.

## **166 Information to be provided in accordance with the BB Procedures**

- (1) Where this Part requires a BB reporting entity to provide information to AEMO, the information must be provided by the BB reporting entity by the time specified in the BB Procedures.

**Note:**

Section 223 of the *NGL* requires the information referred to in the section to be given to AEMO in accordance with the Rules. Section 223 is classified as a civil penalty provision.

- (2) Where this Part requires a BB reporting entity to provide information to AEMO, the information must be provided by the BB reporting entity in the manner and form specified in, and otherwise in accordance with, the BB Procedures.

**Note:**

Section 223 of the *NGL* requires the information referred to in the section to be given to AEMO in accordance with the Rules. Section 223 is classified as a civil penalty provision.

- (3) The BB Procedures may require information about a gas day referred to in Subdivision 5.4 or Subdivision 5.5 of Division 5 to be provided in advance of that gas day.
- (4) A BB participant that provides comments in the free text facility on the Bulletin Board must comply with any restrictions specified in the BB Procedures relating to the use of the free text facility.

## **167 Use of default values**

- (1) Where provided for in this Part, the BB Procedures may provide for:
  - (a) a BB reporting entity to be exempt from the obligation to provide an item of information under this Part in respect of a BB facility in specified circumstances; and
  - (b) the default value that will be used in place of the relevant item of information.

- (2) The obligations under this Part to update information apply to default values determined under the BB Procedures as if the BB reporting entity had provided the information to AEMO.

## **Division 5 Information to be provided by BB reporting entities**

### **Subdivision 5.1 Nameplate ratings and detailed facility information**

#### **168 Nameplate rating information**

- (1) A BB reporting entity must provide to AEMO:
  - (a) the nameplate rating of each of its BB facilities; and
  - (b) information about any planned permanent capacity reduction or expansion due to modification of the BB facility, the nameplate rating that is expected to result and the time the modification is expected to take effect.
- (2) In addition to the information under subrule (1), a BB reporting entity for a BB pipeline must provide to AEMO:
  - (a) the nameplate rating for each gate station owned, controlled or operated by the BB reporting entity and connected to the BB pipeline;
  - (b) for each gate station connected to the BB pipeline which is not owned, controlled or operated by the BB reporting entity:
    - (i) the name of the person who owns, controls or operates the gate station; and
    - (ii) the nameplate rating of the gate station if that nameplate rating has been provided to a facility operator for the BB pipeline by the person who owns, controls or operates the gate station; and
  - (c) information about any planned permanent capacity reduction or expansion due to modification of each such gate station, the nameplate rating that is expected to result and the time the modification is expected to take effect.
- (2A) In addition to the information under subrules (1) and (2), a BB reporting entity for a BB transmission pipeline must provide to AEMO the nameplate rating for each receipt point and delivery point on the BB transmission pipeline.
- (3) The BB reporting entity must provide the information specified in subrule (1) and (where applicable) subrule (2) to AEMO:
  - (a) on registration of the BB facility; and
  - (b) annually, by the date specified in the BB Procedures.

- (4) A BB reporting entity must update the information provided under subrule (1) for its BB facility if there is a material change.
- (5) A BB reporting entity for a BB pipeline must update the information provided under subrule (2)(a) or (2)(b) for the BB pipeline if that information is no longer accurate.

## **169 Detailed facility information for all BB facilities**

- (1) A BB reporting entity must provide to AEMO the detailed facility information for each of its BB facilities.
- (2) The BB reporting entity must provide the detailed facility information specified in subrule (1) to AEMO on registration.
- (3) A BB reporting entity must update the detailed facility information provided under subrule (1) for its BB facility if the information is no longer accurate.
- (4) In this rule the term **detailed facility information**:
  - (a) when used in the context of a BB transmission pipeline, means:
    - (i) all *receipt or delivery points* on that pipeline and any production facilities, gas storage facilities or transmission pipelines to which those *receipt or delivery points* connect; and
    - (ii) all gate stations on that pipeline;
  - (b) when used in the context of:
    - (i) a production facility; or
    - (ii) a gas storage facility,means each pipeline to which the BB facility is connected and the *receipt or delivery points* at which the BB facility is connected.

## **170 Gas day start times for all BB facilities**

- (1) A BB reporting entity must provide to AEMO the time at which the gas day starts for each of its BB facilities (e.g. 6am EST).
- (2) If the start time for the gas day for a BB facility provided to AEMO under subrule (1) changes, the BB reporting entity must notify AEMO of the updated information as soon as practicable.

## **170A Allocation methodology and agreement**

- (1) A BB reporting entity must provide to AEMO the following information for each of its BB allocation points in accordance with the BB Procedures:

- (a) a description of the allocation methodology used at the BB allocation point;
  - (b) information about any charge to become a party to the agreement (whether or not the agreement is in writing) under which allocations at the BB allocation point are determined;
  - (c) a description of the process for joining and leaving the agreement referred to in paragraph (b); and
  - (d) the contact details for the person to whom an application to join the agreement referred to in paragraph (b) must be given.
- (2) If the information for a BB allocation point provided to AEMO under subrule (1) changes, the BB reporting entity for the BB allocation point must notify AEMO of the updated information as soon as practicable.

## **Subdivision 5.2 [Intentionally left blank]**

### **171 [Intentionally left blank.]**

## **Subdivision 5.3 Pipeline and storage capacity bookings**

### **172 Information about BB shippers with primary pipeline capacity**

- (1) A BB reporting entity must, for each of its BB pipelines, provide to AEMO a list of BB shippers who have contracted primary pipeline capacity on the BB pipeline.
- (2) A BB reporting entity must update the information provided under subrule (1) for its BB pipeline if the information is no longer accurate.
- (3) Subrule (1) does not apply to a BB reporting entity in its capacity as the BB reporting entity for a declared transmission system.

### **173 [Intentionally left blank.]**

### **174 [Not used.]**

### **175 12 month outlook of uncontracted primary pipeline capacity**

- (1) A BB reporting entity must provide to AEMO, for each of its BB pipelines, an outlook of uncontracted primary pipeline capacity on the BB pipeline for each of the next 12 months.
- (2) The BB reporting entity must provide the information specified in subrule (1) to AEMO each month, by the date determined under the BB Procedures.

- (3) Subrule (1) does not apply to a BB reporting entity in its capacity as the BB reporting entity for a declared transmission system.

**176 [Intentionally left blank.]**

**177 12 month outlook of uncontracted storage capacity**

- (1) A BB reporting entity must provide to AEMO, for each of its BB storage facilities, an outlook of uncontracted storage capacity in the BB storage facility for each of the next 12 months.
- (2) The BB reporting entity must provide the information referred to in subrule (1) to AEMO each month, by the date determined under the BB Procedures.

**Subdivision 5.4 Short term and medium term capacity outlooks**

**178 Short term capacity outlooks for BB facilities**

- (1) A BB reporting entity must provide to AEMO a short term capacity outlook for each of its BB facilities.
- (2) The BB reporting entity must provide the information specified in subrule (1) to AEMO each gas day, except in circumstances where, in accordance with rule 167, the BB Procedures permit the BB reporting entity to rely on an exemption and the use of default values for a gas day.
- (3) A BB reporting entity must update the information it has provided under subrule (1) for a gas day if there is a material change and must do so as soon as practicable in accordance with rule 165(3).

**179 Linepack/capacity adequacy indicator for all BB pipelines**

- (1) A BB reporting entity must provide to AEMO the LCA flag for each of its BB pipelines.
- (2) The BB reporting entity must provide the LCA flag in respect of each gas day D for gas days D to D+2, except in circumstances where, in accordance with rule 167, the BB Procedures permit the BB reporting entity to rely on an exemption and the use of default values for a gas day.
- (3) A BB reporting entity must update the current LCA flag for a BB pipeline for a gas day if at any time the LCA flag for the gas day no longer reflects the actual or expected capability of the BB pipeline to meet the aggregated nominations for withdrawals from the BB pipeline on that gas day.

**180 [Intentionally left blank.]**

**181 Medium term capacity outlooks for BB facilities**

- (1) A BB reporting entity must provide to AEMO a medium term capacity outlook for each of its BB facilities.
- (2) The BB reporting entity must provide the information referred to in subrule (1) to AEMO on each day that the information is provided to BB shippers by a facility operator for the BB facility, except in circumstances where, in accordance with rule 167, the BB Procedures permit the BB reporting entity to rely on an exemption and the use of default values for a gas day.
- (3) A medium term capacity outlook provided to AEMO in accordance with this rule must identify the BB facility to which the outlook relates and must contain the following information:
  - (a) the expected start and end dates of the matters expected to affect the daily capacity of the BB facility;
  - (b) a description of the matters expected to affect the daily capacity of the BB facility; and
  - (c) the expected daily capacity of the BB facility during the period it is affected by the matters referred to in paragraphs (a) and (b).

**Subdivision 5.5 Nominated and forecast use of storage and pipelines**

**182 Nominated and forecast use of BB storage facilities**

- (1) Subject to subrule (2), a BB reporting entity must, in respect of each of its BB storage facilities, provide to AEMO in respect of each gas day D:
  - (a) the aggregate quantity of natural gas nominated by BB shippers to be injected into the BB storage facility for the gas day;
  - (b) the aggregate quantity of natural gas nominated by BB shippers to be withdrawn from the BB storage facility for the gas day;
  - (c) the aggregate quantity of natural gas forecast by BB shippers to be injected into the BB storage facility for gas day D+1 to gas day D+6 if BB shippers using the BB storage facility have provided forecast quantities under contract or applicable market rules; and
  - (d) the aggregate quantity of natural gas forecast by BB shippers to be withdrawn from the BB storage facility for gas day D+1 to gas day D+6 if BB shippers using the BB storage facility have provided forecast quantities under contract or applicable market rules.



- (2) Subrule (1) does not apply to a BB storage facility which is used solely as part of a production facility.
- (3) A BB reporting entity must update the information it has provided to AEMO under subrule (1) if there is a material change and must do so as soon as practicable in accordance with rule 165(3).

### 183 Nominated and forecast delivery information for BB pipelines

- (1) A BB reporting entity must, in respect of each of its BB pipelines (other than a BB pipeline forming part of a declared transmission system), provide to AEMO in respect of each gas day D:
  - (a) the nominations for injections into the BB pipeline for the gas day aggregated at each receipt point;
  - (b) the nominations for withdrawals from the BB pipeline for the gas day aggregated at each delivery point;
  - (c) the forecast injections into the BB pipeline for gas day D+1 to gas day D+6 aggregated at each receipt point if BB shippers on the BB pipeline have provided forecast receipt point nominations under contract or applicable market rules; and
  - (d) the forecast withdrawals from the BB pipeline for gas day D+1 to gas day D+6 aggregated at each delivery point if BB shippers on the BB pipeline have provided forecast delivery point nominations under contract or applicable market rules.
- (2) A BB reporting entity for a BB pipeline forming part of a declared transmission system must provide to AEMO in respect of each gas day D, for each controllable system point on, and connected to, the declared transmission system:
  - (a) the aggregated scheduled injections for the gas day;
  - (b) the aggregated scheduled withdrawals for the gas day;
  - (c) the forecast aggregated scheduled injections for gas days D+1 and D+2; and
  - (d) the forecast aggregated scheduled withdrawals for gas days D+1 and D+2.
- (3) In subrule (2) and this subrule (3), a **controllable system point** is a system point at which injections or withdrawals (or both) of controllable quantities may be made and the following terms have the meaning given in Part 19: controllable quantity, scheduled injection, scheduled withdrawal, system point.
- (4) For the avoidance of doubt the information provided under subrule (1) is to be based only on information provided by BB shippers and does not represent the BB reporting entity's forecast.

- (5) For the purposes of this rule, the BB Procedures may specify the default directions which are to be assigned to natural gas flows for each BB pipeline and the manner in which reverse flows of natural gas are to be treated.
- (6) The obligation of a BB reporting entity under subrule (1) or (2) to provide information is taken to be satisfied for a gas day in circumstances where, in accordance with rule 167, the BB Procedures permit the BB reporting entity to rely on an exemption and the use of default values for that gas day.
- (7) A BB reporting entity must update the information it has provided to AEMO under subrule (1) or (2) if there is a material change and must do so as soon as practicable in accordance with rule 165(3).

**184 [Intentionally left blank.]**

**185 Nominated and forecast use of production facilities**

- (1) A BB reporting entity must, in respect of each of its BB production facilities, provide to AEMO in respect of each gas day D:
  - (a) the aggregate nominations for injections into one or more BB pipelines from the production facility for the gas day; and
  - (b) the aggregate forecasts for nominations for injections into one or more BB pipelines from the production facility for gas day D+1 to gas day D+6, if BB shippers have provided forecast nominations under contract or applicable market rules.
- (2) For the avoidance of doubt the information provided under subrule (1) is only based on information provided by BB shippers and does not represent the BB reporting entity's forecast.
- (3) The obligation of a BB reporting entity under subrule (1) to provide information is taken to be satisfied for a gas day in circumstances where, in accordance with rule 167, the BB Procedures permit the BB reporting entity to rely on an exemption and the use of default values for that gas day.
- (4) A BB reporting entity must update the information it has provided to AEMO under subrule (1) if there is a material change and must do so as soon as practicable in accordance with rule 165(3).

**Subdivision 5.6 Actual production and flow data**

**186 Basis of calculation**

The information to be provided to AEMO under this subdivision is to be determined by the BB reporting entity on the basis of operational metering data or as specified in the rule under which the information is required to be provided.

**Note:**

The information provided to AEMO under this Subdivision is not intended to be of settlements quality.

**187 Daily flow data for BB pipelines**

- (1) Each gas day D a BB reporting entity must provide to AEMO the daily flow data for each of its BB pipelines (other than BB pipelines forming part of a declared transmission system) for gas day D-1.
- (2) Each gas day a BB reporting entity for a BB pipeline forming part of a declared transmission system must provide to AEMO the actual injections and withdrawals of natural gas at each receipt point, delivery point and transfer point on the declared transmission system on the basis of operational metering and as metered at any relevant connection point to the declared transmission system for gas day D-1.
- (3) In subrule (2), the following terms have the meaning given in Part 19: connection point, actual injection, delivery point, receipt point, system point and transfer point.
- (4) A BB reporting entity must update the information provided under subrule (1) or (2) for its BB pipeline if the information is no longer accurate.

**188 Daily production and storage data**

- (1) Each gas day D, a BB reporting entity must provide to AEMO:
  - (a) the daily production data for each of its BB production facilities for gas day D-1;
  - (b) the daily production data for each of its BB storage facilities for gas day D-1; and
  - (c) the actual quantity of natural gas held in each of its BB storage facilities at the end of gas day D-1.
- (2) A BB reporting entity must update the information provided under subrule (1) for its BB facility if the information is no longer accurate.

**189** [Intentionally left blank.]

**190** [Intentionally left blank.]

## **Subdivision 5.7 Auction service curtailment**

### **190A Auction service curtailment**

- (1) A BB reporting entity for a BB auction facility must provide to AEMO the following information if an auction service provided by its BB auction facility is subject to curtailment in respect of a gas day, including curtailment due to a renomination:
  - (a) notice of the curtailment and the gas day and auction service affected;
  - (b) a brief description of the cause of the curtailment; and
  - (c) whether the curtailed quantity for the auction service and gas day is material.
- (2) The information referred to in subrule (1) must be provided to AEMO as soon as practicable after the BB reporting entity becomes aware of the circumstances giving rise to the curtailment.
- (3) A BB reporting entity must update the information provided under subrule (1)(b) or (c) for its BB auction facility if the information is no longer accurate, including due to circumstances resulting in additional curtailment of the auction service for the gas day.
- (4) For the purposes of this rule, a curtailed quantity is material for a gas day and auction service if it is more than 10% of the quantity of transportation capacity sold in the capacity auction for use of the auction service on the gas day.

### **190B Daily auction service curtailment information**

- (1) Each gas day D, a BB reporting entity must provide to AEMO the auction service curtailment information for each auction service provided by means of its BB auction facility for gas day D-1.
- (2) A BB reporting entity must update the information provided under subrule (1) for its BB auction facility if the information is no longer accurate.

## **Subdivision 5.8 Capacity transaction reporting**

### **190C Obligation to report**

- (1) A person who is a capacity seller for a BB capacity transaction (excluding a BB capacity transaction concluded through the gas trading exchange) must provide to

AEMO the capacity transaction information for that BB capacity transaction, subject to subrule (2).

- (2) The BB Procedures may provide for an item of capacity transaction information provided to AEMO under subrule (1) for a BB capacity transaction to be a reasonable estimate or approximation, where the provision of the information is not otherwise practicable having regard to the nature or terms of the transaction.
- (3) Unless subrule (4) applies, the information referred to in subrule (1) must be provided to AEMO by the earlier of:
  - (a) 1 business day after the trade date for the BB capacity transaction; and
  - (b) the day prior to the date on which the service term for the BB capacity transaction starts.
- (4) Where the service term for a BB capacity transaction starts on the trade date for the transaction, the information referred to in subrule (1) must be provided to AEMO as soon as reasonably practicable on the trade date.
- (5) A capacity seller for a BB capacity transaction must update the information it has provided to AEMO under subrule (1) if the information is no longer accurate.

## **190D Reporting through an agent**

- (1) A person required to provide information to AEMO under rule 190C may, with the consent of the person appointed, appoint a person registered under this Part, including a capacity transaction reporting agent, to provide that information to AEMO on its behalf.
- (2) A person who makes an appointment under subrule (1) remains responsible under this Part for ensuring that the person's obligations under Division 4 and rule 190C in relation to the information to be provided to AEMO are complied with.
- (3) An appointment under subrule (1) may be revoked by the person who made the appointment or the person appointed.
- (4) The BB Procedures may provide for notice to be given to AEMO of an appointment under subrule (1), the consent of the person appointed or a revocation under subrule (3) and the information to be included with the notice.
- (5) AEMO is not required to verify the validity of an appointment or consent under subrule (1) or a revocation under subrule (3).

## **190E Reporting by the GSH Operator**

- (1) The GSH Operator must provide to AEMO the capacity transaction information for each BB capacity transaction concluded through the gas trading exchange.

- (2) The GSH Operator must provide the information in subrule (1) by the end of the gas day on which the BB capacity transaction is concluded through the gas trading exchange.

## **Division 6            Other information**

### **191            BB Participants may indicate spare capacity available for purchase or capacity requirements**

- (1) At any time, a BB participant may notify other BB users that it has spare capacity in a BB facility for purchase by providing details of the spare capacity to AEMO in the form required by the BB Procedures.
- (2) At any time, a BB participant may notify other BB users that it wishes to purchase spare capacity in a BB facility by providing details of the capacity it wishes to purchase to AEMO in the form required by the BB Procedures.
- (3) For the avoidance of doubt, a notice given under subrule (1) or (2) and posted on the Bulletin Board by AEMO is an invitation to treat and not an offer capable of acceptance by another person.

### **192            BB participants may indicate gas available for purchase or gas requirements**

- (1) At any time, a BB participant may notify other BB users that it has natural gas available for purchase by providing details of the natural gas available for purchase to AEMO in the form required by the BB Procedures.
- (2) At any time, a BB participant may notify other BB users that it wishes to purchase natural gas by providing details of the natural gas it wishes to purchase to AEMO in the form required by the BB Procedures.
- (3) For the avoidance of doubt, a notice given under subrule (1) or (2) and posted on the Bulletin Board by AEMO is an invitation to treat and not an offer capable of acceptance by another person.

## **Division 7            Publication of information by AEMO**

### **193            Publication of information by AEMO**

Except where provided to the contrary in the Rules, information that AEMO is required to publish on the Bulletin Board under this Division 7, must be published by AEMO on the Bulletin Board in the time and manner specified in the BB Procedures.

## **194 Publication of information provided to AEMO under Division 5**

- (1) Subject to subrule (2), AEMO must publish on the Bulletin Board the information provided to AEMO by BB reporting entities in accordance with the obligations of BB reporting entities under Division 5.
- (2) AEMO must not:
  - (a) publish on the Bulletin Board information about nominations and forecasts provided to AEMO under rule 183, unless the information is published in aggregated form in accordance with this rule; or
  - (b) publish information about actual flows for gas day D provided to AEMO under Subdivision 5.6 of Division 5 before gas day D+1.
- (3) AEMO must publish on the Bulletin Board in respect of each gas day D based on the information about nominations and forecasts provided to AEMO under rule 183:
  - (a) for BB pipelines, nominated injections and withdrawals of natural gas for the gas day aggregated in accordance with the aggregation method referred to in subrule (4); and
  - (b) for BB pipelines, forecast injections and withdrawals of natural gas for gas day D+1 to gas day D+6 aggregated in accordance with the aggregation method referred to in subrule (4).
- (4) AEMO must determine and may amend from time to time an aggregation method to be used by AEMO for subrule (3) which so far as practicable:
  - (a) makes the data provided to AEMO available to BB users only as a representation of the direction and quantity of gas flows in BB pipelines; and
  - (b) does not directly or indirectly disclose a nomination made by a market generating unit as defined in the National Electricity Rules.
- (5) AEMO must publish on the Bulletin Board an overview of the aggregation method used by AEMO for subrule (3).

## **195 Publication of representation of actual flows**

- (1) In addition to AEMO's obligation under rule 194(1), AEMO must also publish on the Bulletin Board in respect of each gas day D, based on the data provided to AEMO under Subdivision 5.6 of Division 5:
  - (a) the daily flow data for each BB pipeline aggregated to provide a representation of the direction and quantity of gas flows in BB pipelines on the gas day; and

- (b) data about demand for natural gas aggregated to provide a representation of demand in different locations within demand categories determined by AEMO.
- (2) AEMO must determine and may amend from time to time the aggregation methods used by AEMO for subrule (1) and must publish on the Bulletin Board an overview of the aggregation methods.

#### **195A Publication of capacity transaction information**

- (1) Subject to subrules (2), (3) and (4), AEMO must publish capacity transaction information provided to AEMO under Subdivision 5.8 on the Bulletin Board.
- (2) The information published under subrule (1) must not include the names of the parties to the BB capacity transaction.
- (3) For forward haul, backhaul, park and compression services relating to a Part 24 facility, AEMO must publish the information provided to AEMO about the service points at or between which the BB transportation service is provided using the zones to which the service points belong.
- (4) The information published under subrule (1) relating to a transportation facility that is not a Part 24 facility must not include the service points at or between which the BB transportation service is provided.
- (5) AEMO may also publish on the Bulletin Board, based on the information referred to in subrule (1), data about BB capacity transactions in the form and containing the information determined by AEMO.

#### **195B Publication of capacity auction information**

AEMO must publish on the Bulletin Board information in relation to the capacity auction specified in the Capacity Transfer and Auction Procedures for the purposes of this rule.

### **Division 8 Access to the Bulletin Board**

#### **196 BB users bound by terms of use**

Each and every time a person accesses the Bulletin Board, that person is deemed to agree to the BB terms of use.

#### **197 BB user requests access to archive information (Section 222 of the NGL)**

- (1) A BB user may request AEMO to provide it with any information that was previously but is not, at the time of the request, published on the Bulletin Board.



- (2) If practicable, AEMO must provide the service requested under subrule (1) and, unless it determines otherwise, charge the BB user an information retrieval fee for providing the service.
- (3) For the purposes of subrule (2), AEMO must publish on the Bulletin Board a schedule of information retrieval fees which must be calculated on the basis of recovering only the costs incurred in processing requests.
- (4) AEMO may use the *expedited consultation procedure* or any other consultation procedure it determines is appropriate in all the circumstances (including but not limited to the *standard consultative procedure*) to consult with BB participants with respect to the formulation of the schedule of information retrieval fees.

**Note:**

See rules 8 & 9

## Part 19 Declared Wholesale Gas Market Rules

### Division 1 Preliminary

#### 199 Application of this Part

This Part contains rules applicable to the operation of the declared transmission system, the declared distribution systems and the declared wholesale gas market.

#### 200 Definitions

In this Part:

**accreditation procedures** means the Procedures made under rule 210.

**actual imbalance** means, for a Market Participant, the sum of the adjusted withdrawals for that Market Participant determined in accordance with rule 235(11) less the sum of the actual injections for that Market Participant.

**actual injections** means, for a Market Participant, injections by that Market Participant at system injection points excluding re-injections from distribution pipelines.

**adjusted withdrawals** means the adjusted net quantities of gas withdrawn as determined in accordance with rule 235.

**administered price cap** See rule 224.

**administered price period** means a period during which an administered price cap will apply.

**administered pricing procedures** means the Procedures made under rule 224.

**affected Participant** means in relation to a metering installation, a Registered participant who is entitled to access to metering data from that metering installation in accordance with rule 312.

**agency injection hedge nomination** means the amount of its scheduled injection that a Market Participant nominates to AEMO to use in the determination of the AMIQ of a nominated Market Participant.

**allocate** means the process of determining an allocation.

**allocation** means the quantity of gas treated as having been injected or withdrawn by a Market Participant at a system point in a gas day as determined in accordance with Division 2, Subdivision 5.

**Allocation Agent** means a person who has been appointed by a Market Participant to submit injection allocation statements or withdrawal allocation statements under rule 229 or 230.

**AMDQ credit** means the whole or part of an AMDQ credit certificate that a Market Participant nominates to AEMO to apply in the determination of ancillary payments and uplift payments in accordance with rules 239 and 240.

**AMDQ credit certificate** means a certificated right to a quantity measured in GJ and issued under Division 4, Subdivision 3.

**AMDQ credit certificates auction procedures** means the Procedures made under rule 329G.

**AMDQ transfer procedures** means the Procedures made under rule 331.

**AMIQ or Authorised Maximum Interval Quantity** means the quantity of authorised MDQ or AMDQ credit certificates used in the determination of ancillary payments and uplift payments for a Market Participant for each scheduling interval of the gas day, as determined in accordance with Procedures under rules 239 and 240.

**AMIQ profile** means a profile submitted by a Market Participant that AEMO must use to determine the AMIQ in each scheduling interval for that Market Participant under rule 240.

**ancillary payment** means a payment determined in accordance with rule 239 by or to a Market Participant.

**ancillary payment procedures** means the Procedures made under rule 239.

**approved capex** means forecast capital expenditure approved by the AER as conforming capital expenditure in its access arrangement decision for the relevant *access arrangement period*.

**authorised MDQ** means in respect of a Customer, the maximum daily quantity of gas, expressed in GJ/day, which is authorised by AEMO to be withdrawn by or on behalf of that Customer from the declared transmission system, in accordance with an allocation under rule 328 or 329F, and which relates to the capacity of the system injection point at Longford as at 15 March 1999.

**Authorised MDQ auction procedures** means the Procedures made under rule 329F.

**basic meter** means a meter without a data logger.

**bid** means a bid by a Market Participant in accordance with Division 2, Subdivision 1 to inject quantities of gas into, or withdraw quantities of gas from, the declared transmission system during a gas day, or such a bid as modified by that Market Participant in accordance with Division 2.

**billing period** means the period of one calendar month commencing on 6:00 am on the first day of each calendar month.

**close proximity injection points** means a group of system injection points that AEMO has determined can be regarded as the same injection point for the purposes of determining AMIQ under rule 240.

**communication link** means all communication equipment and arrangements that lie between the meter or data logger and the metering database.

**compensation procedures** means the Procedures made under rule 237.

**connect** means to connect a pipeline or pipeline equipment to the declared transmission system or modify an existing connection.

**Connected Party** means a person (other than a declared transmission system service provider) who is party to a connection agreement or who owns, operates or controls a pipeline or pipeline equipment that is connected to the declared transmission system.

**connection** means a physical connection between a pipeline or pipeline equipment and the declared transmission system or a modification of such a connection.

**connection agreement** means an agreement between a declared transmission system service provider and another person pursuant to which a pipeline or pipeline equipment owned, operated or controlled by that other person is connected to the declared transmission system.

**Connection Applicant** means a person who makes an application to establish or modify a connection to the declared transmission system under rule 271.

**connection approval procedures** means the Procedures made under rule 272.

**connection equipment** means any pipeline equipment that, in the reasonable opinion of AEMO, is associated with a connection point, including valves, pressure regulators and metering equipment.

**connection point** means a delivery point, a transfer point or a receipt point.

**controllable quantity** means (according to context):

- (a) a quantity of gas that may be scheduled for withdrawal at a delivery point on a gas day in accordance with a withdrawal bid and the applicable accreditation by AEMO; or
- (b) a quantity of gas that may be scheduled for injection at a receipt point on a gas day in accordance with an injection bid and the applicable accreditation by AEMO.

**credit support** means a guarantee or other security given to AEMO by a third party supporting the obligations of a Market Participant for which the Market Participant is required to provide security under rule 254(1).

**Credit Support Provider** means a person that provides credit support for a Market Participant.

**cumulative price threshold** See rule 224.

**curtailment** means the curtailment or interruption of a Customer's supply of gas at its delivery point that occurs when AEMO intervenes or issues an emergency direction.

**Customer** means an end user.

**data collection system** means all equipment and arrangements that lie between the metering database and the point where the metering data enters the public telecommunications network.

**data logger** means a device that collects and stores energy data or volume data and is capable of either:

- (a) transfer of recorded data to a portable reading device; or
- (b) being accessed electronically by AEMO by way of the data collection system,

as required for metering installations in accordance with rule 308.

**data validation procedures** means the Procedures made under rule 314.

**declared LNG supply agreement** means an agreement designated as a declared LNG supply agreement under legislation of the adoptive jurisdiction.

**declared metering requirement** means all or part of any regulatory instrument defined as a declared metering requirement under legislation of the adoptive jurisdiction.

**declared transmission system service provider** means the service provider for the declared transmission system.

**default event** means any one or more of the events listed in rule 251.

**default interest rate** has the meaning given to it in rule 3.

**default notice** means notice issued by AEMO in accordance with rule 259.

**delivery point** means a point on a pipeline at which gas is withdrawn from the pipeline and delivered to a Customer or injected into a storage facility.

**demand forecast** means a forecast of demand for gas, expressed in GJ for each hour of the gas day, made by a Market Participant and submitted to AEMO under Division 2, Subdivision 2.

**demand forecast override** means an adjustment in GJ (which can be positive or negative) made by AEMO for the purpose of ensuring system security in the

preparation of operating schedules to the total of all valid demand forecasts by Market Participants.

**deviation** means a quantity of gas in GJ for a Market Participant that is:

- (a) the actual imbalance for that Market Participant in a scheduling interval;  
less
- (b) the scheduled imbalance for that Market Participant in that scheduling interval.

**deviation payment** - See rule 235(5).

**dispute resolution processes** means the dispute resolution processes in Part 15C as modified by Division 6 of this Part.

**Distribution Customer** means a Customer who withdraws gas at a distribution delivery point.

**distribution delivery point** means a point on a distribution pipeline at which gas is withdrawn from a declared distribution system and delivered to a Customer or injected into a storage facility.

**Distributor** means the service provider for the whole or any part of a declared distribution system.

**electronic communication procedures** means the Procedures made under rule 319(4).

**electronic communication system** means a system used by Registered participants and AEMO for exchange of information in accordance with rule 319(1).

**emergency** means an event or situation described in rule 333.

**emergency direction** means a direction given by AEMO under section 91BC of the *NGL* during, or in relation to, an emergency.

**emergency protocol** means an instrument of a legislative or administrative character made by AEMO with respect to gas emergencies or a particular gas emergency under an application Act or jurisdictional gas legislation.

**energy calculation** means the calculation of the energy content of a quantity of gas in accordance with rule 303.

**energy calculation procedures** means the Procedures made under rule 303.

**energy data** means data relating to the volume, pressure and temperature of gas.

**final statement** means a statement issued by AEMO under rule 245.

**financial year** means a period commencing on 1 July and terminating on the following 30 June.

**flow rate** means the rate at which gas flows passes a point on the declared transmission system in an hour, expressed in GJ/hour.

**gas** includes natural gas and processable gas.

**gas day** means a period of 24 consecutive hours beginning at 6:00 am.

**gas production facility** means any gas processing plant and associated facilities, excluding any LNG processing facility or storage facility.

**gas quality monitoring system** means a system for monitoring gas quality that a Registered participant is required to provide at a system injection point pursuant to rule 288.

**gas quality specifications** means in respect of a system injection point:

- (a) the standard gas quality specifications; or
- (b) a gas quality standard approved by AEMO in respect of that system injection point pursuant to rule 287(1).

**gas scheduling procedures** means the Procedures made under rule 206.

**government authority** includes any government or governmental, semi-governmental, administrative or judicial body, department, commission, authority, tribunal, agency or entity.

**imbalance payment** - See rule 235(2) and (3).

**injection allocation statement** means a statement that an Allocation Agent is required to give pursuant to rule 229(7).

**injection bid** means a bid made in respect of a system injection point.

**injection hedge nomination** means the amount of its scheduled injection that a Market Participant nominates to AEMO to apply in the determination of its AMIQ.

**installation database** means the database of calibration data which a responsible person is required to keep in respect of its metering installations pursuant to rule 309.

**installation database procedures** means the Procedures made under rule 309.

**interconnected transmission pipeline service provider** means the service provider for a transmission pipeline that is connected to the declared transmission system.

**interest rate** has the meaning given to it in rule 3.

**intervention** means measures taken by AEMO under rule 343 to eliminate or reduce a threat to system security.

**labour dispute** means a strike, lockout, ban, “go-slow” activity, stoppage, restraint of labour or other similar act.

**linepack account** - See rule 241.

**LNG** means liquefied natural gas.

**LNG connection point** means the point on the declared transmission system at which gas is permitted to flow into or out of an LNG storage facility.

**LNG injection bid** means a bid by a Market Participant to AEMO to withdraw LNG stock from an LNG storage facility and inject gas into the declared transmission system at the LNG connection point.

**LNG reserve** means the LNG storage capacity to which AEMO is entitled under its LNG storage agreement.

**LNG stock** means the amount of LNG in an LNG storage facility held on behalf of AEMO, a Market Participant or any other person.

**LNG storage capacity** means rights to hold capacity in the LNG storage facility granted by the LNG Storage Provider to a Market Participant, AEMO or any other person pursuant to an LNG storage agreement.

**LNG storage facility** means a storage facility owned or operated by an LNG Storage Provider.

**LNG Storage Provider** means a declared LNG storage provider (as that term is defined in the NGL).

**maintenance** means work carried out by service providers, Producers and Storage Providers that, in AEMO's opinion, may affect:

- (a) AEMO's ability to supply gas through the declared transmission system; or
- (b) AEMO's ability to operate the declared transmission system; or
- (c) declared transmission system capacity; or
- (d) system security; or
- (e) the efficient operation of the declared transmission system generally,

and includes work carried out on pipeline equipment but does not include maintenance required to avert or reduce the impact of an emergency.

**maintenance planning procedures** means the Procedures made under rule 326.

**margin call** – See rule 263.



**Market** means the declared wholesale gas market related to the declared transmission system.

**Market Customer** means a Customer who is a Market Participant.

**Market information bulletin board** means a facility established by AEMO on the electronic communication system on which it may publish information for Market Participants.

**Market Participant** means a Registered participant registered in a registrable capacity including the description: Market Participant.

**Market Participant submission** means information submitted by Market Participants under rules 208, 209, 211 and 213 using the electronic communication system.

**market prices** means prices for gas set by AEMO for each scheduling horizon as determined in accordance with Division 2, Subdivision 3.

**market transaction** means a sale or purchase of gas that occurs when a Market Participant has a trading imbalance in a trading interval.

**maximum total payment** means the maximum amount payable by AEMO in respect of a billing period as determined by rule 252.

**meter** means a device that measures and records quantities of gas by reference to volume, mass or energy content.

**metering** means measuring and recording the quantity of gas by reference to volume, mass or energy content.

**metering communications procedures** means the Procedures made under rule 308.

**metering data** means the data obtained or derived from a metering installation.

**metering database** means the database kept by AEMO pursuant to rule 310.

**metering installation** means the meter and associated equipment and installations installed as required under Division 3, Subdivision 4 for connection points.

**metering point** means the point of physical connection of a meter to a pipeline.

**metering register** means a register of information relating to metering installations kept by AEMO pursuant to rule 311 and forming part of the metering database.

**metering register procedures** means the Procedures made under rule 311.

**metering substitution threshold** means the metering error tolerance equal to twice the uncertainty limit fixed in accordance with the metering uncertainty limits and calibration requirements procedures.

**metering uncertainty limits and calibration requirements procedures** means the Procedures made under rule 297.

**minimum exposure** – See rule 256.

**MIRN** means metering installation registration number.

**monitoring point** means a point at which a gas quality monitoring system is installed. (See rule 288.)

**net system load** has the meaning given in the Retail Market Procedures.

**off-specification gas** means gas that does not comply with the gas quality specifications for the system injection point at which it is, or is to be, injected.

**operating schedule** means a schedule that AEMO is required to publish pursuant to Division 2, Subdivision 2.

**operational gas** means gas used for operating declared transmission system assets, including gas used to fuel compressors or heaters required for operating the declared transmission system.

**Participant compensation fund** – See rule 225.

**payment date** means the date on which payment is due in respect of a billing period. (See rules 246, 247 and 250.)

**pipeline equipment** means, in relation to the pipe or system of pipes comprised in a pipeline:

- (a) all structures for protecting or supporting the pipes; and
- (b) facilities for the compression of gas, the maintenance of the pipes or the injection or withdrawal of gas; and
- (c) all fittings, appurtenances, compressor stations, odourisation plants, scraper stations, valves, telemetry systems (including communications towers) and works and buildings used in connection with the pipes.

**planning review** means the planning review to be provided by AEMO under rule 323.

**price step** – See rule 209(5).

**pricing schedule** means a schedule that AEMO is required to produce pursuant to rule 221(2).

**Producer** means a producer whose gas production facility is connected to the declared transmission system.

**prudential requirements** means the requirements imposed on a Market Participant to provide and maintain a security in accordance with Division 2, Subdivision 7.

**publish**, by AEMO, means the posting of information on the Market information bulletin board or the AEMO website.

**receipt point** means a point at which gas is received into a pipeline, other than a transfer point, including a point at which gas is received into the pipeline from a storage facility or a gas production facility.

**regulatory instrument** means any law, statute, regulation, code, rule, order, guideline, sub-code or other instrument regulating the gas industry in the adoptive jurisdiction from time to time.

**responsible person** – See rule 292.

**Retailer** means a user of the declared transmission system who is registered in the capacity of Market Participant - Retailer under rule 135A.

**Retail Market Procedures** means the Retail Market Procedures of the adoptive jurisdiction.

**revised statement** means a statement issued by AEMO under rule 249.

**RoLR** has the same meaning as in the *NERL*.

**RoLR process** means the process for transferring *retail customers* to a RoLR.

**RoLR scheme** has the same meaning as in the *NERL*.

**rule consultation procedures** means the Procedures made under rule 357.

**safety plan** means a plan that must be developed by certain Registered participants in accordance with a regulatory instrument relating to gas safety.

**safety procedures** – See rule 335.

**scheduled imbalance** means a quantity of gas in GJ for a Market Participant that is the sum of the withdrawals scheduled for controllable quantities and demand forecasts for that Market Participant less the sum of the scheduled injections for that Market Participant as determined by the relevant operating schedule.

**scheduled injection** means a quantity of gas in GJ scheduled to be injected in the relevant operating schedule.

**scheduled withdrawal** means a quantity of gas in GJ scheduled to be withdrawn in the relevant operating schedule.

**scheduling** means the process of scheduling bids that AEMO is required to carry out in accordance with this Part.

**scheduling horizon** means a period of time on a gas day from the time of commencement of a published operating schedule, until the end of the relevant gas day.

**scheduling instruction** means an instruction given by AEMO to a Market Participant or, in the case of an LNG injection bid, to an LNG Storage Provider, pursuant to rule 215.

**scheduling interval** means any of the following periods on a gas day: 6:00 am to 10:00 am; 10:00 am to 2:00 pm; 2:00 pm to 6:00 pm; 6:00 pm to 10:00 pm; 10:00 pm to the end of the gas day.

**service envelope agreement** means an agreement entered into between AEMO and a declared transmission system service provider, as required under section 91BE of the *NGL*.

**settlement** means the determination of actual imbalances, trading amounts and settlement amounts in respect of Market Participants who trade in the market.

**settlement amount** – See rule 236.

**settlement statement** means a statement issued by AEMO in the form of a preliminary statement under rule 244, a final statement under rule 245 or a revised statement under rule 249.

**significant price variation** – See rule 355.

**standard gas quality specifications** means:

- (a) the gas quality specifications contained in AS 4564 – 2005 (as amended or replaced from time to time); or
- (b) if those gas quality specifications have been added to or otherwise modified by or under applicable legislation (principal or subordinate) of the Commonwealth or a State – those gas quality specifications as added to or otherwise modified.

**standard schedule time** means each of the times by which AEMO must publish an operating schedule or pricing schedule for the gas day as set out in rule 215(3).

**standing agency injection hedge nomination** means an agency injection hedge nomination for a Market Participant that is expressed to apply in respect of each consecutive gas day until a future specified date or until revoked.

**standing AMIQ profile** means a profile for determination of AMIQ for a Market Participant that is expressed to apply in respect of each consecutive gas day until a future specified date or until revoked.

**standing bid** means a bid for a Market Participant that is expressed to apply in respect of each consecutive gas day until a future specified date or until revoked.

**standing demand forecast** means a demand forecast for a Market Participant that is expressed to apply in respect of each consecutive gas day until a future specified date or until revoked.

**standing injection hedge nomination** means an injection hedge nomination for a Market Participant that is expressed to apply in respect of each consecutive gas day until a future specified date or until revoked.

**storage facility** means a facility for the storage of gas, including an LNG storage facility and underground storage.

**Storage Provider** means a person who owns or operates a storage facility.

**storage space** means in relation to LNG storage capacity, the right of a Market Participant to store a quantity of gas (expressed in tonnes) in an LNG storage facility in accordance with its LNG storage agreement and this Part.

**Sub-Allocation Agent** means a person who has been appointed by a Market Participant or other person to submit sub-allocation statements.

**sub-allocation statement** means a statement that a Sub-Allocation Agent may submit under rules 229(9) or 230(8).

**supply point** means a transmission supply point or a distribution supply point as defined in the Retail Market Procedures.

**suspension notice** means a notice issued by AEMO in accordance with rule 260.

**system injection point** means a connection point on the declared transmission system that is designed to permit gas to flow through a single pipe into the declared transmission system, which may also be, in the case of a transfer point, a system withdrawal point.

**system point** means a system injection point, a system withdrawal point or a system withdrawal zone.

**system security** – See the system security procedures.

**system security procedures** means the Procedures made by AEMO under rule 205.

**system withdrawal point** means a connection point on the declared transmission system that is designed to permit gas to flow through a single pipe out of the declared transmission system, which may also be, in the case of a transfer point, a system injection point.

**system withdrawal zone** means a part of the declared transmission system that contains one or more system withdrawal points and in respect of which AEMO has determined that a bid must be made.

**tariff D withdrawal point** means a system withdrawal point or a distribution delivery point at which gas is withdrawn:

- (a) at a rate of more than 10GJ in any hour or more than 10,000 GJ in any year, unless otherwise designated by AEMO following advice from the declared transmission system service provider or Distributor; or

- (b) at a lower hourly or annual rate, if designated as tariff D by AEMO following advice from the declared transmission system service provider or Distributor,

where rates of withdrawal are determined annually on the basis of metering data for the 12 months prior to the date of determination or, where 12 months' metering data is not available, a reasonable estimation of withdrawals for the next 12 month period.

**tariff V withdrawal point** means a system withdrawal point or a distribution delivery point which is not a tariff D withdrawal point.

**time stamp** means a means of identifying the time and date of the transmission or receipt of data.

**Trader** means a person (other than a person registered in some other registrable capacity) that buys or sells gas in the declared wholesale gas market.

**trading amount** - See rule 234(2).

**trading interval** means a period of one gas day.

**trading limit** – See rule 261.

**transfer point** means a point where gas is transferred between the declared transmission system and:

- (a) a transmission pipeline that is not part of the declared transmission system; or
- (b) a declared distribution system.

**transmission constraint** means a constraint in or affecting the declared transmission system at any time as a result of which (having regard to operational requirements relating to pressures) gas flows in any part of the system are or (but for anything done by AEMO) would be restricted, whether the constraint results from the size of any part of the declared transmission system, the operation or failure to operate of any part of the declared transmission system or the extent or distribution of supply or demand in any part of the declared transmission system.

**Transmission Customer** means a Customer who withdraws gas from a transmission delivery point.

**transmission delivery point** means a point on the declared transmission system at which gas is withdrawn from the declared transmission system and delivered to a Transmission Customer or injected into a storage facility.

**unintended scheduling result** – See rule 217.

**uplift payment** means a payment by or to a Market Participant or declared transmission system service provider determined by AEMO in accordance with rule 240 for the purpose of funding ancillary payments.

**uplift payment procedures** means the Procedures made under rule 240.

**VoLL** means \$800 per GJ.

**withdrawal allocation statement** – See rule 230(6).

**withdrawal bid** means a bid made in respect of a system withdrawal zone or a system withdrawal point.

## 201 Time and Dates

- (1) Unless otherwise specified, a reference to a time of day is to standard time (as distinct – when daylight saving operates – from summer time) in the adoptive jurisdiction.
- (2) Unless otherwise specified:
  - (a) a period expressed to date from a given day, or from the day of an act or event, is to be calculated exclusive of that day;
  - (b) a period expressed to commence on a given day, or on the day of an act or event, is to be calculated inclusive of that day.
- (3) AEMO may, by notice to all Registered participants, amend an amount, date, time or period specified in this Part in a particular case or generally.
- (4) A date, time or period may be amended even though the specified date, time or period may have already expired.

## 202 Technical Interpretation

- (1) Unless the context otherwise requires, for the purposes of this Part:
  - (a) a **quantity** of gas is a quantity in joules; and
  - (b) a **volume** of gas is a volume in standard cubic metres.
- (2) The following terms have the following meanings in this Part:
  - (a) **megajoule** or **MJ** means 1,000,000 joules;
  - (b) **gigajoule** or **GJ** means 1,000 megajoules;
  - (c) **terajoule** or **TJ** means 1,000 gigajoules;
  - (d) **kPa** or **kilopascal** means 1,000 pascals; and
  - (e) **standard cubic metre** or **m<sup>3</sup>** means the quantity of dry gas at a temperature of 15 degrees Celsius and an absolute pressure of 101.325 kPa enclosed in a volume of one cubic metre.

- (3) Unless otherwise expressly defined, all reference to units of measurements in this Part are references to the units of measurement defined in or for the purposes of the *National Measurement Act 1960* (Commonwealth).

**203 [Deleted]**

**204 Procedures under this Part**

Where a rule in this Part provides for AEMO to make Procedures:

- (a) those Procedures are a category of Wholesale Market Procedures;
- (b) AEMO must comply with any additional requirements in this Part that apply to the making or amendment of the Procedures.

**Division 2 Market Operation and Administration**

**Subdivision 1 System Security**

**205 System security procedures**

- (1) AEMO must make Procedures (**system security procedures**) governing its operation of the declared transmission system.
- (2) The system security procedures will provide for the operation of the declared transmission system in a way that averts or minimises threats to system security.

**Subdivision 2 Gas Scheduling**

**206 Gas scheduling**

- (1) AEMO must schedule injections of gas into and withdrawals of gas from the declared transmission system in accordance with bids.
- (2) When scheduling injections of gas into and withdrawals of gas from the declared transmission system, AEMO must:
  - (a) comply with the gas scheduling procedures; and
  - (b) use its reasonable endeavours to operate within the system security procedures.
- (3) Subject to:
  - (a) AEMO's obligations under this Part to schedule injections of gas into, and withdrawals of gas from, the declared transmission system in accordance with the gas scheduling procedures;



- (b) AEMO's obligations under this Part to operate the declared transmission system within the system security procedures and to avert or minimise threats to system security; and
- (c) there being sufficient gas available at all relevant times for injection into the declared transmission system to satisfy withdrawal and linepack requirements,

AEMO must use its reasonable endeavours to ensure that sufficient gas is made available for withdrawal from the declared transmission system during each gas day to satisfy Market Participants' aggregate requirements for gas at system withdrawal points.

- (4) AEMO must make Procedures (**gas scheduling procedures**), including the algorithm that will be used by AEMO, for the purpose of scheduling in accordance with this Subdivision and pricing in accordance with Subdivision 3.

## **207 Requirement to submit bids and demand forecasts**

- (1) Each Market Participant who intends to inject quantities of gas into the declared transmission system on a gas day must submit bids to AEMO in accordance with rules 209 and 211.
- (2) Each Market Participant who intends to withdraw quantities of gas from the declared transmission system on a gas day must submit bids or demand forecasts as applicable to AEMO in accordance with rules 208, 209 and 211.
- (3) A Market Participant may submit updated bids and demand forecasts in accordance with rules 208, 209 and 211.

## **208 Demand forecasts**

- (1) A Market Participant must submit a demand forecast of the amount of gas (excluding controllable quantities covered by withdrawal bids) that it expects to withdraw in each hour of the gas day:
  - (a) from the declared transmission system (excluding amounts covered by paragraph (b)); and
  - (b) if AEMO so requires – from one or more specified system withdrawal points.
- (2) AEMO may require the submission of a separate demand forecast for a specified system withdrawal point if:
  - (a) the maximum daily quantity of withdrawals at that point is 5,000 GJ or more; or
  - (b) the frequency and duration of withdrawals at that point are irregular; or

- (c) AEMO reasonably considers the withdrawals at that point are likely to have a material impact on the operation of the declared transmission system.
- (3) Before requiring a separate demand forecast for a particular system withdrawal point, AEMO must consult with the relevant Market Participant and take into account any relevant information provided by that Market Participant.
- (4) Market Participants must submit demand forecasts in accordance with the timings required under rule 211.
- (5) The following is confidential information:
  - (a) a requirement by AEMO for a separate demand forecast for one or more system withdrawal points;
  - (b) a demand forecast submitted by a Market Participant.

## **209 Bids**

- (1) A Market Participant must submit a separate injection bid in respect of each system injection point at which it intends to inject gas on a gas day.
- (2) A Market Participant must submit a separate withdrawal bid in respect of each system withdrawal point from which it intends to withdraw gas on a gas day as a controllable quantity.
- (3) Market Participants must submit bids in accordance with the timings required under rule 211.
- (4) A bid must specify:
  - (a) the identity of the Market Participant by whom it is made;
  - (b) the gas day to which the bid relates;
  - (c) the system injection point (in the case of an injection bid) or system withdrawal point (in the case of a withdrawal bid) in relation to which the bid is made; and
  - (d) up to ten price steps.
- (5) Each price step must specify:
  - (a) a single price, expressed in \$/GJ to four decimal places, from 0\$/GJ to VoLL inclusive; and
  - (b) the total quantity of gas, expressed in GJ, up to which the Market Participant is willing (if scheduled) to inject gas into, or withdraw gas from, the declared transmission system at the price specified under subrule (5)(a).

- (6) In the case of an injection bid, the quantity of gas specified in a price step must be at least as much as the quantity specified for a price step specifying a lower price.
- (7) In the case of a withdrawal bid, the quantity of gas specified in a price step must be no more than the quantity specified for a price step specifying a lower price.
- (8) Bids may specify the following conditions or constraints, which will be applied by AEMO in scheduling price steps:
  - (a) in the case of an injection bid, the maximum quantity of gas in each price step which the Market Participant is willing to inject in the gas day to which the bid relates; and
  - (b) in the case of a withdrawal bid, the maximum quantity of gas in each price step which the Market Participant is willing to withdraw in the gas day to which the bid relates.
- (9) A Market Participant must not submit bids that are inconsistent with the conditions or constraints applicable to that Market Participant's accreditation under rule 210 unless that Market Participant receives prior consent from AEMO to do so.
- (10) A Market Participant may only make a withdrawal bid in respect of a system withdrawal point on a gas day if the Market Participant has nominated a controllable quantity for that system withdrawal point on that gas day.
- (11) Bids are confidential information up until the end of the gas day to which they apply, and are to be made available to all Market Participants by AEMO after the end of that gas day.

## **210 Accreditation**

- (1) A Market Participant who wishes to utilise controllable quantities for the purpose of:
  - (a) submitting withdrawal bids in respect of a system withdrawal point; or
  - (b) submitting injection bids in respect of a system injection point; and
  - (c) receiving any ancillary payments resulting from the scheduling of those bids,must apply to AEMO for accreditation in accordance with this rule.
- (2) An application by a Market Participant for accreditation of a controllable quantity for a withdrawal bid must specify:
  - (a) the delivery point to which the application relates;
  - (b) details of the load characteristics of the controllable quantity at the delivery point, including:

- (i) maximum and minimum hourly quantities of gas to be withdrawn at that delivery point;
    - (ii) maximum hourly rates of change of gas flow;
    - (iii) the time required by the Market Participant to modify the rate of gas flow at a delivery point in accordance with a scheduling instruction; and
    - (iv) such other information as AEMO may require; and
  - (c) the specific actions that will be taken to increase or decrease withdrawals at the relevant delivery point when the applicable withdrawal bid is scheduled by AEMO.
- (3) An application by a Market Participant for accreditation of a controllable quantity for an injection bid must specify:
- (a) the system injection point to which the application relates;
  - (b) details of the injection characteristics of the controllable quantity at the system injection point, including:
    - (i) minimum and maximum hourly quantity of gas to be injected at that system injection point;
    - (ii) maximum hourly rates of change of gas flow rates;
    - (iii) the time required by the Market Participant to comply with a scheduling instruction to modify the rate of gas flow rate at the relevant system point; and
    - (iv) such other information as AEMO may require; and
  - (c) the specific actions that will be taken to increase or decrease injections at the relevant system injection point when the applicable injection bid is scheduled by AEMO.
- (4) AEMO may, on application by a Market Participant, fix scheduled injections for a part of a gas day nominated by the Market Participant at quantities of a previous operating schedule for that gas day in accordance with the accreditation procedures.
- (5) AEMO may, on application by a Market Participant, use quantities specified by the Market Participant to validate its demand forecasts in accordance with rule 212.
- (6) AEMO may, on application by a Market Participant, apply the whole or part of the Market Participant's scheduled injections to another Market Participant in determining AMIQ for that other Market Participant.

- (7) AEMO must accredit controllable quantities if:
  - (a) the Market Participant seeking accreditation is able to demonstrate to AEMO's reasonable satisfaction that it will be able to procure modification of the gas flow at the relevant connection point in accordance with any scheduling instructions issued by AEMO and that compliance with the scheduling instructions can be monitored or audited (or monitored and audited) in a manner acceptable to AEMO; and
  - (b) in the case where more than one Market Participant is injecting or withdrawing quantities of gas at a connection point, the application for accreditation of the controllable quantity is consistent with the requirements for delivery or receipt of gas at the relevant connection point.
- (8) AEMO must make Procedures (**accreditation procedures**) governing accreditation of controllable quantities under this rule.
- (9) Information submitted by Market Participants for accreditation is confidential information.

## **211 Timing of submissions by Market Participants**

- (1) By 11:00 am on the day that is 2 days before the day on which a gas day commences, a Market Participant:
  - (a) must submit to AEMO:
    - (i) demand forecasts required under this subdivision for the gas day; and
    - (ii) bids in respect of controllable quantities of gas for the gas day.

**Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (b) **[Deleted]**
- (2) If the basis for a submission for a gas day made under subrule (1) or previously resubmitted under this subrule changes, it must be resubmitted to AEMO by whichever of the following is the next to occur:
  - (a) 7:00 am on the day before the day on which the gas day commences;
  - (b) 5:00 am on the day on which the gas day commences.

**Note:**

After the time specified in rule 211(2)(b), updates may only be made to demand forecasts and bids in accordance with subrules (4) to (6).

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (2A) By 5:00am on the day on which the gas day commences, a Market Participant may submit to AEMO:
- (a) by close proximity injection point only, an injection hedge nomination or agency injection hedge nomination;
  - (b) a nomination of authorised MDQ or AMDQ credit; or
  - (c) an AMIQ profile,
- for the gas day.

**Note:**

After the time specified in rule 211(2A), updates may only be made to nominations of authorised MDQ or AMDQ credit, or an AMIQ profile, in accordance with subrules (4), (5A), (5B) or (5C).

- (3) On the day before the day on which a gas day commences, a Market Participant may submit updated demand forecasts or bids for that gas day:
- (a) by 3:00 pm for inclusion in the updated operating schedule to be published at 4:00 pm on that day; or
  - (b) by 10:00 pm for inclusion in the updated operating schedule to be published at midnight.
- (4) On a gas day, a Market Participant may submit updated demand forecasts, bids, nominations of authorised MDQ or AMDQ credit, or an updated AMIQ profile for that gas day:
- (a) by 9:00 am for inclusion in the updated operating schedule to be published at 10:00 am on that day; or
  - (b) by 1:00 pm for inclusion in the updated operating schedule to be published at 2:00 pm on that day; or
  - (c) by 5:00 pm for inclusion in the updated operating schedule to be published at 6:00 pm on that day; or
  - (d) by 9:00 pm for inclusion in the updated operating schedule to be published at 10:00 pm on that day.
- (5) An updated bid submitted under subrule (4) must be for the whole of the gas day, and must be consistent with the quantity scheduled in respect of that bid for the current and preceding scheduling intervals on that gas day.

- (5A) An updated nomination of authorised MDQ or AMDQ credit to a system injection point submitted under subrule (4) must be greater than or equal to the lesser of:
  - (a) the current nomination of authorised MDQ or AMDQ credit, whichever is relevant, to that system injection point; and
  - (b) the total quantity of gas scheduled for injection at that system injection point by that Market Participant for the current and preceding scheduling intervals of the gas day.
- (5B) An updated AMIQ profile submitted under subrule (4) must be for the whole of the gas day, and must incorporate the AMIQ profile most recently nominated for the current and preceding scheduling intervals of the gas day.
- (5C) For the avoidance of doubt, the last AMIQ profile submitted by a Market Participant for a gas day is used to determine the AMIQ of that Market Participant for the purposes of rule 240(3).
- (6) An updated demand forecast submitted under subrule (4) must be made by hour for the scheduling horizon commencing at the relevant standard schedule time.
- (7) Injection hedge nominations, agency injection hedge nominations, nominations of authorised MDQ or AMDQ credit and AMIQ profiles are confidential information.

## **212 Confirmation by AEMO**

- (1) AEMO is under no obligation to verify that the information posted on the Market information bulletin board based on Market Participant submissions is accurate and correct.
- (2) AEMO must acknowledge receipt of all Market Participant submissions submitted by Market Participants in accordance with the electronic communication procedures.
- (3) AEMO must ensure that the information based on Market Participant submissions that is posted on the Market information bulletin board is used for the purposes of scheduling, pricing and settlement in accordance with this Part.
- (4) A Market Participant submission is invalid if it does not conform with these rules or the electronic communication procedures.
- (5) If a Market Participant submission is invalid:
  - (a) AEMO must not use that Market Participant submission for scheduling; and
  - (b) AEMO must, as soon as reasonably practicable after it becomes aware of the invalidity, notify the Market Participant of its invalidity.

## **213 Other requirements for submissions by Market Participants**

- (1) A Market Participant may submit, vary or revoke standing demand forecasts, standing bids, standing injection hedge nominations, standing agency injection hedge nominations or standing AMIQ profiles.
- (2) Each Market Participant must ensure that:
  - (a) each demand forecast submitted by that Market Participant is made in good faith and represents that Market Participant's best estimate of the quantities of gas it expects to withdraw from the declared transmission system in each hour of the relevant scheduling horizon;
  - (b) each injection bid submitted by that Market Participant is made in good faith and represents that Market Participant's best estimate of the quantities of gas it expects to be able to inject into the declared transmission system at the relevant system injection point on the relevant gas day should AEMO schedule that gas;
  - (c) each withdrawal bid submitted by that Market Participant is made in good faith and represents that Market Participant's best estimate of the quantities of gas which it expects to withdraw from the declared transmission system at the relevant system withdrawal point on the relevant gas day should AEMO schedule that gas; and
  - (d) if scheduled to do so by AEMO, it is able to modify the quantities of gas which it injects into, or withdraws from, the declared transmission system on a gas day in accordance with the bids submitted by that Market Participant in respect of that gas day.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (3) The aggregate quantities of gas (if any) a Market Participant nominates for injection into the declared transmission system on a gas day need not be equal to the aggregate quantities of gas (if any) that Market Participant nominates for withdrawal from the declared transmission system on that gas day.
- (4) A Market Participant who knows or believes that it will not, or that it is unlikely to be able to, comply in any material respect with the injections or withdrawals scheduled for that Market Participant in an operating schedule must immediately notify AEMO of that fact and the extent of the known or likely non-compliance.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.



- (5) The acceptance or scheduling by AEMO of a demand forecast or a bid, or the failure by AEMO to reject a demand forecast or a bid, does not constitute an offer or undertaking by AEMO to receive, convey or deliver any quantity of gas.
- (6) For the purposes of subrule (2), a bid is made in good faith if at the time of making the bid, the Market Participant has a genuine intention to honour the bid if the material conditions and circumstances on which the bid is based remained unchanged.
- (7) The intention of the Market Participant may be inferred from the conduct of the Market Participant, or of any other person, or from relevant circumstances.

## **214 Priority of bids in the scheduling process**

For the purpose of scheduling under rule 215, if two or more bids are equally beneficial for scheduling, then AEMO must as far as practicable apply the following principles:

- (a) an increase in the amount of gas injected in accordance with an injection bid should be scheduled before scheduling a reduction in gas withdrawn under a withdrawal bid;
- (b) subject to paragraph (d), where two or more injection bids are equally beneficial, those injection bids should be scheduled to the same extent;
- (c) subject to paragraph (e), where two or more withdrawal bids are equally beneficial, those withdrawal bids should be scheduled to the same extent;
- (d) where two or more injection bids are equally beneficial, then those injection bids that are associated with AMDQ credit certificates or authorised MDQ should be scheduled before other injection bids that are not associated with AMDQ credit certificates or authorised MDQ; and
- (e) where two or more withdrawal bids are equally beneficial, then those withdrawal bids that are associated with AMDQ credit certificates or authorised MDQ should be scheduled before other withdrawal bids that are not associated with AMDQ credit certificates or authorised MDQ.

## **215 Operating schedules**

- (1) AEMO must use the following inputs and assumptions for the purpose of producing operating schedules:
  - (a) the demand forecasts and bids submitted by Market Participants in respect of that gas day prior to the times specified in rule 211, including any conditions or constraints included in the bids in accordance with rule 209(8);
  - (b) any conditions or constraints applicable to the bids of Market Participants and delivery or receipt of gas at the relevant connection point accredited under the accreditation process under rule 210;

- (c) any supply or demand point constraints applied by AEMO in accordance with the gas scheduling procedures.
  - (d) AEMO's demand forecast override, as determined in accordance with the gas scheduling procedures;
  - (e) the linepack target (in GJ) for the end of the gas day as defined by AEMO in accordance with the gas scheduling procedures;
  - (f) any equations or constraints relating to the flow of gas in the declared transmission system, including without limitation mass, gas flow and minimum and maximum operating pressures;
  - (g) in the case of operating schedules produced prior to a gas day to which the schedules relate, the forecast condition of the flow of gas in the declared transmission system at the start of that gas day, including without limitation mass, operating pressures and quantity and distribution of linepack;
  - (h) in the case of operating schedules produced in respect of a gas day on that gas day, the actual condition of the flow of gas in the declared transmission system, including without limitation mass, operating pressures and quantity and distribution of linepack;
  - (i) the actual or forecast state or condition of the pipelines and pipeline equipment which constitute the declared transmission system;
  - (j) scheduled quantities of gas in the relevant operating schedule in accordance with the gas scheduling procedures; and
  - (k) any other inputs or assumptions specified for that purpose in the gas scheduling procedures.
- (2) The inputs and assumptions set out in subrule (1) must be applied by AEMO to produce operating schedules which specify injections and withdrawals for each hour of the gas day in a way that minimises the cost of satisfying expected demand for gas over that gas day using valid demand forecasts and bids submitted by Market Participants and taking into account any transmission constraints affecting the transportation of gas in the declared transmission system during that gas day.
- (3) Each day AEMO must publish operating schedules and pricing schedules as follows:
- (a) by 12 noon, an operating schedule covering each hour in the gas day starting on the second day after the current day and a pricing schedule for that gas day;
  - (b) for the gas day after the current day:
    - (i) by 8:00 am, an operating schedule and pricing schedule;
    - (ii) by 4:00 pm, an updated operating schedule and pricing schedule; and

- (iii) by midnight, an updated operating schedule and pricing schedule;
- (c) for the gas day starting on that day:
  - (i) by 6:00 am, an operating schedule and pricing schedule;
  - (ii) by 10:00 am, an updated operating schedule and pricing schedule;
  - (iii) by 2:00 pm, an updated operating schedule and pricing schedule;
  - (iv) by 6:00 pm, an updated operating schedule and pricing schedule; and
  - (v) by 10:00 pm, an updated operating schedule and pricing schedule.
- (4) AEMO may, in accordance with the gas scheduling procedures, publish further operating schedules at times other than those times specified in subrule (3) if a change in circumstances occurs that AEMO reasonably considers constitutes a threat to system security that must be addressed by a revised operating schedule before the next update to the relevant operating schedule under subrule (3).
- (5) An operating schedule published under subrule (4) for scheduling horizons on the current gas day is an intervention by AEMO.
- (6) An operating schedule published under subrule (4) for scheduling horizons on the gas day which is 1 or 2 days after the current gas day is not an intervention by AEMO.
- (7) The market price must not be updated when AEMO revises the operating schedules under subrule (4).
- (8) Each operating schedule must include the information set out in rule 320(2).
- (9) All material factors which AEMO takes into account for the purposes of preparing an operating schedule must be recorded by AEMO so that the gas scheduling procedures can be properly audited.
- (10) AEMO must maintain records relating to the scheduling process undertaken by AEMO in respect of each gas day and make those records available to any Market Participant, subject to the Market Participant paying the reasonable costs incurred by AEMO in making those records available.
- (11) AEMO must issue scheduling instructions to each Market Participant by no later than the times specified in this rule on each day, specifying the quantities of gas which each Market Participant is scheduled to inject or withdraw for each hour of the gas day commencing on that day at each injection point and system withdrawal zone or system withdrawal point as relevant.
- (12) AEMO may make changes to the operating schedules by issuing scheduling instructions during the gas day in accordance with the gas scheduling procedures.

- (13) AEMO must ensure that all scheduling instructions and the times at which they are issued are automatically logged electronically or otherwise recorded.
- (14) A later operating or pricing schedule supersedes an earlier one.

## **215A Failure to publish operating schedules**

- (1) If AEMO is unable to produce an operating schedule in accordance with rule 215, AEMO must nevertheless determine the operating schedule.
- (2) In determining an operating schedule under this rule, AEMO must:
  - (a) act in accordance with rule 215 to the extent AEMO considers it reasonably possible to do so; and
  - (b) to the extent it is not possible to act in accordance with rule 215 - act on the basis of knowledge and information AEMO considers to be relevant and reasonable.

## **216 Failure to conform to scheduling instructions**

- (1) Subject to subrules (2) and (4), if AEMO issues a scheduling instruction in respect of a bid, the Market Participant who submitted the bid must comply with the scheduling instruction in all material respects.

### **Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (2) If a Market Participant is unable to comply in all material respects with a scheduling instruction issued in respect of a bid, it must:
  - (a) notify AEMO that it is unable to comply with the scheduling instruction as soon as practicable after it becomes aware of its failure to comply and give the reasons for the failure; and
  - (b) advise AEMO of the actions proposed to be undertaken by the Market Participant to re-establish compliance with its obligations under this Subdivision; and
  - (c) **[Deleted]**
  - (d) provide AEMO with such evidence of the reasons for the failure as AEMO may reasonably require.

### **Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (3) If a Market Participant is unable to comply in all material respects with a scheduling instruction issued in respect of a bid, AEMO must notify all Market Participants of that fact and AEMO must, on request, provide details of the reasons for the failure to comply:
  - (a) to the extent that those reasons have been provided to AEMO; and
  - (b) only to the extent that the information explains the effect on AEMO's operation of the declared transmission system, including the quantities of gas affected and the likely period of effect.
- (4) A Market Participant is not obliged to comply with a scheduling instruction issued in respect of a bid:
  - (a) **[Deleted]**
  - (b) if, in the case of the Market Participant, not being a Producer, Storage Provider, or interconnected transmission pipeline service provider, having ordered a quantity of gas from a Producer or other person to enable it to comply with that bid and that Producer or other person was only required, under the terms of its contract with that Market Participant, to use its reasonable endeavours to deliver that quantity of gas and that Producer or other person does not in fact deliver that quantity of gas; or
  - (c) if, in the case of the Market Participant also being a Producer, Storage Provider or interconnected transmission pipeline service provider, that Market Participant has used its reasonable endeavours to deliver that quantity of gas but has not in fact delivered that quantity of gas provided that Market Participant has made its bid in good faith.
- (5) **[Deleted].**
- (6) **[Deleted].**
- (7) **[Deleted].**
- (8) **[Deleted].**
- (9) **[Deleted].**
- (10) **[Deleted].**

## **217 Unintended scheduling results**

- (1) If scheduling instructions issued as part of an operating schedule produce one or more of the following results:
  - (a) equally beneficial bids are not scheduled to the same extent;
  - (b) a quantity of gas under an injection bid above the market price is scheduled for injection but the relevant Market Participant does not receive the bid

price in respect of the gas injected in accordance with that scheduling instruction;

- (c) a quantity of gas under an injection bid below the market price is not scheduled for injection;
- (d) a quantity of gas under a withdrawal bid above the market price is not scheduled for withdrawal;
- (e) a quantity of gas under a withdrawal bid below the market price is scheduled for withdrawal;
- (f) a scheduling instruction is not issued in accordance with the gas scheduling procedures,

then that result will be an **unintended scheduling result** unless otherwise specified in subrules (2), (3) or (4). An unintended scheduling result may arise whether or not AEMO has complied with rule 214 or the gas scheduling procedures.

- (2) A result specified in subrule (1) will not be an unintended scheduling result to the extent that:
  - (a) the result arose from the application of, or (as the case may be) the exercise of rights or performance of obligations in accordance with:
    - (i) Division 5 of this Part;
    - (ii) the system security procedures;
    - (iii) the emergency protocol;
    - (iv) the ancillary payment procedures;
    - (v) the service envelope agreement;
    - (vi) an agreement entered into between AEMO and a Distributor or the owner or operator of a facility at a relevant system point;
    - (vii) constraints applicable to controllable quantities accredited by AEMO at a relevant system point;
    - (viii) authorised MDQ or AMDQ credit certificates associated with a relevant system point;
    - (ix) supply-demand point constraints as defined in the gas scheduling procedures;
    - (x) directional flow point constraints as defined in the gas scheduling procedures;
    - (xi) any other provision of this Part or other applicable legislation; or

- (b) a Market Participant has been compensated for the result in accordance with this Part or Procedures made under this Part.
- (3) An error made in determining a market price or a pricing schedule is not an unintended scheduling result.
- (4) A result specified in subrule (1) will not be an unintended scheduling result unless its estimated financial effect on Market Participants exceeds either:
  - (a) for an individual Market Participant, \$20,000, adjusted to reflect the change in the Consumer Price Index in accordance with subrule (5); or
  - (b) for all affected Market Participants, an aggregate of \$50,000, adjusted to reflect the change in the Consumer Price Index in accordance with subrule (5).
- (5) The amounts referred to in subrule (4) are to be adjusted by multiplying the relevant amount by the number determined using the following formula:

$$\frac{CPI_n}{CPI_0}$$

where:

$CPI_0$  is the Consumer Price Index number (All Groups, weighted average of eight capital cities) published by the Australian Bureau of Statistics for the financial year ended 30 June 2008, being 161.4; and

$CPI_n$  is the Consumer Price Index number (All Groups, weighted average of eight capital cities) for the most recent financial year published by the Australian Bureau of Statistics before the issue of the relevant operating schedule.

## **218 Process for determining occurrence of unintended scheduling result**

- (1) AEMO:
  - (a) must, on request by a Market Participant in accordance with subrule (2); and
  - (b) may, on its own initiative,investigate whether an unintended scheduling result has occurred.
- (2) A request by a Market Participant to AEMO to investigate whether an unintended scheduling result has occurred must:
  - (a) be made in writing not later than 60 business days after the issue of the relevant operating schedule;
  - (b) identify the relevant operating schedule;

- (c) specify the result the Market Participant believes to be an unintended scheduling result; and
  - (d) include any information available to the Market Participant that supports that belief.
- (3) If after investigation AEMO decides:
  - (a) that an unintended scheduling result has occurred; or
  - (b) where the investigation was undertaken pursuant to a request under subrule (2), that the matter under investigation is not an unintended scheduling result,

AEMO must publish that *decision* promptly, and in any event not later than 20 business days after receipt of a request made under subrule (2), or 20 business days after the final statements which include the gas day of the relevant operating schedule identified in subrule (2) are issued, whichever is later including the reasons for that *decision* and sufficient details to enable Market Participants to identify the relevant operating schedule and the matter investigated by AEMO.
- (4) A Market Participant may initiate the dispute resolution processes in respect of the occurrence of, or compensation in respect of, an unintended scheduling result, whether or not AEMO has published a *decision* under subrule (3).
- (5) If AEMO publishes a *decision* that an unintended scheduling result has occurred, AEMO may initiate the dispute resolution processes in respect of the matter, for the purposes of confirming that *decision* and determining any compensation payable.

## **219 Injection and withdrawal confirmations**

- (1) Each Registered participant who is registered as a Producer, a Storage Provider, or an interconnected transmission pipeline service provider must as soon as possible on each day notify AEMO of the total quantity of gas that it intends to inject into, and withdraw from, the declared transmission system on its own account (if any) and on behalf of Market Participants during the gas day commencing on the following day.
- (2) If, for any reason, there is a material change to the quantity of gas previously notified by a Registered participant under this rule, then the Registered participant must promptly notify AEMO of the change.

### **Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.



## **220 Title, custody and risk**

- (1) Each Market Participant unconditionally and irrevocably authorises AEMO to effect any transfer of title to gas injected by it into the declared transmission system and to determine the time and place of transfer and the quantities of gas transferred in accordance with this Part.
- (2) AEMO is not liable for and makes no warranty regarding the merchantability or suitability for any purpose of gas delivered at a system withdrawal point.
- (3) Custody and control, and risk of loss, of gas injected into the declared transmission system at a system injection point passes to AEMO at the system injection point immediately after injection.
- (4) Custody and control, and risk of loss, of gas withdrawn from the declared transmission system at a system withdrawal point passes to the Market Participant who has title to that gas at that system withdrawal point immediately prior to withdrawal or, where a Market Participant has injected gas as agent for a third party, to the Market Participant whose principal has title to gas at that system withdrawal point immediately prior to withdrawal.
- (5) AEMO has the right to co-mingle a Market Participant's gas with other gas in the declared transmission system.
- (6) Each Market Participant is taken to accept that the gas delivered to it at a system withdrawal point may not match the specifications of the gas injected, or tendered for injection, into the declared transmission system by that Market Participant at a system injection point.

## **Subdivision 3 Determination of market price**

### **221 Determination of market price**

- (1) Market prices must be determined by AEMO in accordance with this Subdivision.
- (2) AEMO must produce pricing schedules in accordance with subrule (4) for the purpose of determining market prices.
- (3) AEMO must have regard to the following matters so far as relevant to the production of the pricing schedules for a scheduling horizon:
  - (a) valid bids submitted by Market Participants for that gas day, including conditions or constraints included in the bids in accordance with rule 209(8);
  - (b) the total of valid demand forecasts submitted by all Market Participants;
  - (c) the quantities scheduled in the relevant previously published operating schedule;

- (d) accredited controllable quantities for Market Participants;
  - (e) any demand forecast override applied by AEMO in accordance with the gas scheduling procedures;
  - (f) any supply or demand point constraints applied by AEMO in accordance with the gas scheduling procedures;
  - (g) the estimated linepack (in GJ) at the beginning of the scheduling horizon;
  - (h) the linepack target (in GJ) for the end of the gas day as defined by AEMO in accordance with the gas scheduling procedures;
  - (i) any other inputs or assumptions specified for that purpose in the gas scheduling procedures.
- (4) The inputs and assumptions set out in subrule (3) must be applied by AEMO in an optimisation program in which valid bids submitted by Market Participants are used to produce pricing schedules that specify injections and withdrawals of gas to be made in each gas day in a way that minimises the cost of satisfying the expected demand for gas in that gas day and for the purpose of doing so, AEMO must not take into account any transmission constraints affecting the transportation of gas in the declared transmission system during that gas day.
- (5) The pricing schedules for a gas day determine:
- (a) the market price for that gas day and updates to that market price during that gas day;
  - (b) the quantities of gas that each Market Participant would have been scheduled to inject and/or withdraw in the gas day on the basis of the inputs and assumptions applied under subrule (3).
- (6) The market price must not be revised when an operating schedule for the current gas day is revised on that day under rule 215(4) at times other than the standard scheduling times.
- (7) Market prices must not be adjusted in respect of an unintended scheduling result.

## **222 Failure to publish market prices or pricing schedules**

- (1) Subject to subrule (3), if AEMO is unable to determine a market price or a pricing schedule in accordance with rule 221 as a result of a failure of software or systems, AEMO must nevertheless determine the market prices and the pricing schedule.
- (2) In determining market prices and a pricing schedule under this rule, AEMO must:
  - (a) act in accordance with rule 221 to the extent AEMO considers it reasonably possible to do so; and

- (b) to the extent it is not possible to act in accordance with rule 221 – act on the basis of knowledge and information AEMO considers to be relevant and reasonable.
- (3) A price determined under this rule must not exceed the administered price cap.

## **223 VoLL**

If a pricing schedule determines that injections and withdrawals of gas imply that curtailment would have occurred (whether or not curtailment actually occurs), the market price for that scheduling horizon is equal to VoLL.

## **224 Administered Pricing**

- (1A) For the purposes of this Part, AEMO must determine:
  - (a) an administered price cap; and
  - (b) a cumulative price threshold to be used as a factor in determining the start and end of an administered price period.
- (1) AEMO must make Procedures (**administered pricing procedures**) that specify:
  - (a) the administered price cap and the cumulative price threshold determined by AEMO under subrule 224(1A);
  - (b) the process by which AEMO will consult with Market Participants on the approach to determining the administered price cap and the cumulative price threshold; and
  - (c) the process that AEMO must apply to declare and end administered price periods;
- (2) During an administered price period, market prices must not exceed the administered price cap, and ancillary payments must be determined and limited by the administered price cap in accordance with rule 239(5).

## **Subdivision 4 Participant Compensation fund**

### **225 Participant compensation fund**

- (1) The Participant compensation fund is transferred to AEMO's administration as from the changeover date.

**Note:**

It follows that the fund is a Rule fund for the purposes of Part 5, Division 9 of the *NGL*.

- (2) The funding requirement for the Participant compensation fund is, for each financial year, the lesser of:

- (a) \$500,000;
  - (b) \$1,000,000 minus the amount AEMO reasonably expects to be the balance of the Participant compensation fund at the end of the relevant financial year.
- (3) AEMO must, no later than the date of issue of the first preliminary settlement statement in each financial year, publish the contribution rate for contributions to the Participant compensation fund for the financial year.
- (4) The contribution rate for the financial year is to be calculated by dividing the funding requirement determined under subrule (1) by AEMO's reasonable forecast of the aggregate quantity of gas which it expects all Market Participants will withdraw from the declared transmission system for the financial year.
- (5) Each Market Participant must pay to AEMO (as part of the settlement amount payable by the Market Participant for each billing period) an amount calculated by multiplying the contribution rate by the aggregate quantity of gas withdrawn from the declared transmission system by that Market Participant during the relevant billing period as determined under Division 3, Subdivision 4.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (6) AEMO must pay the amounts paid by Market Participants under subrule (5) into the Participant compensation fund.
- (7) Market Participants are not entitled to a refund of any contributions made to the Participant compensation fund.
- (8) AEMO must pay from the Participant compensation fund:
- (a) all income tax on interest earned by the Participant compensation fund; and
  - (b) any other tax, fee or charge in relation to the Participant compensation fund; and
  - (c) compensation to Market Participants in accordance with rule 226.

## **226 Compensation to be determined under dispute resolution processes**

- (1) If an unintended scheduling result occurs and its occurrence is confirmed under subrule (2), the following matters must be determined, subject to rule 227, in accordance with the dispute resolution processes:
- (a) which Market Participants are to receive compensation from the participant compensation fund for that unintended scheduling result; and

- (b) the amount of compensation each Market Participant is to receive; and
  - (c) the manner and timing of payments from the Participant compensation fund.
- (2) For the purposes of this rule, the occurrence of an unintended scheduling result must be confirmed by agreement or determination in accordance with the dispute resolution processes.

## **227 Compensation limited**

- (1) The aggregate amount of compensation paid each year from the Participant compensation fund must not exceed the balance of the Participant compensation fund that would have been available at the end of that year had no compensation payments been made that year and therefore the Dispute resolution panel must, when making a determination, take into account the following requirements:
- (a) the aggregate amount of compensation determined under rule 226 must not exceed the balance of the Participant compensation fund at the time the determination is made, less any amount not yet paid from the Participant compensation fund in respect of any previous determinations; and
  - (b) the aggregate amount of compensation payable from the Participant compensation fund at any time is limited to the balance of the fund.
- (2) AEMO is not liable for an unintended scheduling result except out of the Participant compensation fund in accordance with this Subdivision.

## **Subdivision 5 Allocation and Reconciliation**

### **228 Quantities**

For the purposes of:

- (a) this Part, including determining actual imbalances, actual injections, adjusted withdrawals and deviation payments under rule 235; and
- (b) determining fees payable by Market Participants in connection with AEMO's functions under this Part,

the quantity of gas treated as injected into and withdrawn from the declared transmission system by each Market Participant is determined in accordance with this Subdivision.

### **229 Injection allocations**

- (1) Subject to subrule (16), where gas is injected, or tendered for injection, at a system injection point by more than one Market Participant, the Market Participants who inject gas, or tender gas for injection, at that system injection point must appoint either a single Allocation Agent or a Sub-Allocation Agent

who is included in the injection allocation statement from the single Allocation Agent to determine the quantity of gas which is to be treated as injected into the declared transmission system by each of those Market Participants from time to time at that system injection point.

- (2) If an Allocation Agent has not been appointed by a Market Participant for a system injection point or an Allocation Agent has ceased to act in respect of that system injection point for any reason, AEMO may appoint an Allocation Agent for that system injection point and such an appointment is taken to have been made by that Market Participant.
- (3) Only one Allocation Agent can be appointed for each system injection point.
- (4) Each Market Participant must immediately notify AEMO if an Allocation Agent or a Sub-Allocation Agent ceases to be appointed by it in relation to any system injection point.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (5) Each Market Participant who appoints an Allocation Agent or Sub-Allocation Agent must for the term of that appointment ensure that the Allocation Agent or Sub-Allocation Agent complies with the provisions of this Subdivision.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (6) If an Allocation Agent or Sub-Allocation Agent does not comply with the provisions of this Subdivision, AEMO is not required to have regard to any injection allocation statement submitted by that Allocation Agent or Sub-Allocation Agent and subrule (13) will apply for the purpose of allocation.
- (7) Each Allocation Agent must, in respect of each system injection point in relation to which it has been appointed, give to AEMO an injection allocation statement in accordance with AEMO's requirements specifying:
  - (a) the identity of the system injection point;
  - (b) the gas day to which the statement relates;
  - (c) the identity of each Market Participant that injected gas into the declared transmission system at that system injection point during that gas day;
  - (d) the total quantity of gas injected into the declared transmission system at that system injection point in each hour of that gas day; and

- (e) the quantity of gas to be treated as injected by each Market Participant into the declared transmission system at that system injection point in each hour of that gas day.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (8) The total quantity of gas allocated by each Allocation Agent in respect of an hour at a system injection point must equal the total quantity of gas injected into the declared transmission system during that hour at that system injection point (determined in accordance with this Subdivision).

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (9) Where an injection allocation statement has been submitted by an Allocation Agent that specifies the quantity of gas injected into the declared transmission system at a system injection point on a gas day, any Sub-Allocation Agent appointed at that system injection point must give to AEMO a sub-allocation statement in accordance with AEMO's requirements, specifying:

- (a) that the quantity is to be treated as having been injected into the declared transmission system at that system injection point by one or more Market Participants;
- (b) the identity of those Market Participants;
- (c) the gas day to which the statement relates; and
- (d) the quantity that is to be treated as having been injected by each of those Market Participants in each hour of that gas day.

- (10) AEMO is not required to have regard to any sub-allocation statement unless each Market Participant identified in that sub-allocation statement has confirmed in writing to AEMO that it has appointed the Sub-Allocation Agent for the relevant system injection point for the purposes of subrule (9).

- (11) AEMO is entitled to rely on any injection allocation statement or sub-allocation statement submitted by an Allocation Agent or a Sub-Allocation Agent for the purposes of determining the quantities of gas treated as injected into the declared transmission system by all Market Participants who have appointed that Allocation Agent or Sub-Allocation Agent.

- (12) If:

- (a) an Allocation Agent has not been appointed in respect of a system injection point; or

- (b) a Sub-Allocation Agent has not been appointed in respect of a system injection point for which the Sub-Allocation Agent is included in the injection allocation statement from the Allocation Agent; or
- (c) AEMO is notified by a Market Participant that the appointment of an Allocation Agent or Sub-Allocation Agent in respect of a system injection point has been terminated by that or any other Market Participant,

AEMO must determine the quantities of gas to be treated as injected by Market Participants at that system injection point in accordance with subrule (13) and, in the case of paragraph (c), must disregard any injection allocation statement or sub-allocation statement subsequently given by that Allocation Agent or Sub-Allocation Agent in respect of that system injection point.

- (13) If subrule (6) or (12) applies, AEMO must determine the quantity of gas to be treated as having been injected by each Market Participant at the relevant system injection point in accordance with the following formula:

$$Q = MQ \times (SQ / \sum SQ)$$

Where:

Q is the quantity of gas that is to be treated as having been injected by that Market Participant at that system injection point in an hour;

MQ is the actual quantity of gas injected into the declared transmission system at that system injection point in that hour;

SQ is the quantity of gas scheduled in the last published operating schedule for injection by that Market Participant at that system injection point in that hour; and

$\sum SQ$  is the total quantity of gas scheduled in the last published operating schedule for injection by all Market Participants at that system injection point in that hour,

provided that AEMO may, on prior notice given to any affected Market Participant, vary the above formula, or use a different formula, in any case where it is established that the application of the above formula, in all the circumstances, affords undue preference or undue prejudice to any Market Participant and in exercising its discretion under this proviso, AEMO may have regard to title to gas.

- (14) Where AEMO has acted in accordance with subrule (13) then AEMO may recover reasonable costs incurred in applying that rule from those Market Participants to which the application has applied and those Market Participants must pay AEMO those costs.
- (15) An Allocation Agent may be appointed to act in relation to more than one system injection point and may also be appointed to act in relation to one or more system withdrawal points.
- (16) If:



- (a) AEMO requires a Registered participant to inject gas at a system injection point under rule 343; and
- (b) another Registered participant, or other Registered participants, inject gas at the same system injection point, over the same period, in response to a requirement under rule 343 or otherwise; and
- (c) the hourly quantity of gas injected by one or more of them is not separately metered,

then the hourly quantity of gas injected by each Registered participant must be determined by the use of an allocation method agreed by all those Registered participants.

- (17) If the quantities have not been determined in accordance with an agreed allocation method within 10 business days of the gas day in which the gas was injected, then the quantities must be determined using the dispute resolution processes.
- (18) Until the quantities have been determined under subrule (16) or (17) AEMO must, for the purposes of:
  - (a) monitoring AEMO's estimated exposure to Market Participants under rule 262; and
  - (b) the issue of the preliminary settlement statement for a billing period; and
  - (c) the issue of the final statement for a billing period; and
  - (d) the issue of the revised statement for a billing period,

estimate the relevant quantities and advise any Allocation Agent appointed in accordance with subrule (1) for that system injection point accordingly.

- (19) AEMO must publish a method for estimating the quantities of gas to be treated as injected by each Registered participant under subrule (18).
- (20) Where the quantities of gas to be treated as injected by each Registered participant have been determined under the dispute resolution processes, AEMO must advise any Allocation Agent appointed for the system injection point subject to that determination, and must do so within 5 business days of being advised of the determination having been made.
- (21) An Allocation Agent advised of quantities of gas in accordance with subrules (18) or (20) must take the quantity of gas treated as having been injected by each Registered participant into account when determining the quantity of gas treated as having been injected by each Registered participant at that system injection point.

## **230 Withdrawal allocations**

- (1) Where gas is withdrawn, or tendered for withdrawal, at a delivery point by more than one Market Participant and there are insufficient metering installations installed to enable AEMO to determine the quantity of gas withdrawn at that delivery point by each Market Participant, the Market Participants who withdraw gas, or tender gas for withdrawal, at that delivery point must appoint a single Allocation Agent or a Sub-Allocation Agent who is included in a withdrawal allocation statement from the single Allocation Agent to determine the quantity of gas which is to be treated as withdrawn from the declared transmission system or declared distribution system by each of those Market Participants from time to time at that delivery point.
- (2) Only one Allocation Agent can be appointed for each delivery point to which subrule (1) applies.
- (3) Each Market Participant must immediately notify AEMO if an Allocation Agent or Sub-Allocation Agent ceases to be appointed by it in relation to any delivery point to which subrule (1) applies.
- (4) Each Market Participant who appoints an Allocation Agent or Sub-Allocation Agent must ensure for the term of the appointment that the Allocation Agent complies with the provisions of this Subdivision.
- (5) If an Allocation Agent or Sub-Allocation Agent does not comply with the provisions of this Subdivision, AEMO is not required to have regard to any withdrawal allocation statement submitted by that Allocation Agent or Sub-Allocation Agent and subrule (12) will apply for the purpose of determining allocations.
- (6) Each Allocation Agent must, in respect of each delivery point in respect of which it has been appointed, give to AEMO, a withdrawal allocation statement in accordance with AEMO's requirements specifying:
  - (a) the identity of the delivery point; and
  - (b) the gas day to which the statement relates; and
  - (c) the identity of each Market Participant which withdraws gas from the declared transmission system at that delivery point during that gas day; and
  - (d) the total quantity of gas withdrawn from the declared transmission system at that delivery point in each hour of that gas day; and
  - (e) the quantity of gas which is to be treated as withdrawn by each Market Participant from the declared transmission system at that delivery point in each hour of that gas day.
- (7) The total quantity of gas allocated by each Allocation Agent in respect of an hour at a delivery point to which subrule (1) applies must equal the total quantity of gas

withdrawn from the declared transmission system or declared distribution system during that hour at that delivery point (determined in accordance with Division 3, Subdivision 4).

- (8) Where a withdrawal allocation statement has been submitted by an Allocation Agent specifying the quantity of gas withdrawn from the declared transmission system at a delivery point to which subrule (1) applies on a gas day, any Sub-Allocation Agent appointed at that delivery point must give to AEMO a sub-allocation statement in accordance with AEMO's requirements, specifying:
  - (a) that the quantity is to be treated as having been withdrawn from the declared transmission system at that delivery point by one or more Market Participants; and
  - (b) the identity of those Market Participants; and
  - (c) the gas day to which the statement relates; and
  - (d) the proportion of that quantity to be treated as having been withdrawn by each of those Market Participants in each hour of that gas day.
- (9) AEMO is not required to have regard to any sub-allocation statement unless each Market Participant identified in that sub-allocation statement has confirmed in writing to AEMO that it has appointed the Sub-Allocation Agent for the relevant delivery point for the purposes of subrule (8).
- (10) AEMO is entitled to rely on any withdrawal allocation statement or sub-allocation statement submitted by an Allocation Agent or a Sub-Allocation Agent for the purposes of determining the quantities of gas treated as withdrawn from the declared transmission system by all Market Participants who have appointed that Allocation Agent or Sub-Allocation Agent.
- (11) If, in relation to a delivery point to which subrule (1) applies:
  - (a) an Allocation Agent has not been appointed in respect of that delivery point; or
  - (b) a Sub-Allocation Agent has not been appointed in respect of a delivery point for which the Sub-Allocation Agent is included in a withdrawal allocation statement from the Allocation Agent, or
  - (c) AEMO is notified by a Market Participant that the appointment of an Allocation Agent or Sub-Allocation Agent in respect of that delivery point has been terminated by that or any other Market Participant,

AEMO must determine the quantities of gas to be treated as withdrawn by Market Participants at that delivery point in accordance with subrule (12) and, in the case of this subrule, must disregard any withdrawal allocation statement or sub-allocation statement subsequently given by that Allocation Agent or Sub-Allocation Agent in respect of that delivery point.

- (12) If subrules (5) or (11) apply, then the quantity of gas to be treated for settlement purposes as having been withdrawn by each Market Participant at the relevant delivery point is a quantity reasonably determined by AEMO using the information available to it at the time and after consultation with the affected Market Participants.
- (13) Where AEMO has acted in accordance with subrule (12) then AEMO may recover reasonable costs incurred in applying that rule from those Market Participants to which the application has applied and those Market Participants must pay AEMO those costs.
- (14) An Allocation Agent may be appointed to act in relation to more than one delivery point.

## **231 Gas used for operating transmission system assets**

- (1) Operational gas is to be included in the linepack account.
- (2) For the avoidance of doubt, operational gas does not include gas usage related to an LNG storage facility or unaccounted for gas.

## **Subdivision 6 Settlements**

### **232 Settlements management by AEMO**

AEMO must facilitate the billing and settlement of transactions between Market Participants and other amounts payable under or by reference to this Part in accordance with this Subdivision.

### **233 Electronic funds transfer**

- (1) AEMO must ensure that an EFT facility is provided and made available to all Market Participants for the purpose of facilitating settlement.
- (2) Unless otherwise authorised by AEMO, all Market Participants must use the EFT facility for the settlement of transactions.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (3) In this rule:

**EFT facility** means the Reserve Bank of Australia real time gross settlement facility or, where such a facility is not available, an electronic funds transfer facility to be arranged by AEMO.

## **234 Amounts for gas days**

- (1) AEMO must determine:
  - (a) each Market Participant's scheduled imbalance and deviation in accordance with rule 235;
  - (b) each Market Participant's imbalance payments and deviation payments in accordance with rule 235;
  - (c) the ancillary payments (if any) for each Market Participant in respect of that gas day in accordance with rule 239;
  - (d) the uplift payments (if any) for each Market Participant in respect of that gas day in accordance with rule 240;
  - (e) the market prices in respect of that gas day in accordance with Subdivision 2; and
  - (f) the trading amounts for each Market Participant in respect of that gas day, as determined in accordance with subrule (2).
- (2) The trading amount for a Market Participant for a trading interval equals the sum of:
  - (a) that Market Participant's total imbalance payment for that gas day (determined in accordance with rule 235); plus
  - (b) that Market Participant's total deviation payment for that gas day (determined in accordance with rule 235).

## **235 Imbalance payments and Deviation payments**

- (1) The total imbalance payment of a Market Participant for a gas day is the sum of the imbalance payments determined for each scheduling horizon of that gas day.
- (2) The imbalance payment of a Market Participant arising from the scheduling horizon commencing at 6:00 am is:
  - (a) the Market Participant's scheduled imbalance arising from the last published operating schedule commencing at the start of the scheduling interval;multiplied by
  - (b) the market price determined under Subdivision 2 for the standard schedule time of 6:00 am.
- (3) The imbalance payment of a Market Participant arising from each subsequent scheduling horizon in the gas day is:

- (a) the Market Participant's scheduled imbalance from the last published operational schedule commencing prior to the start of the next scheduling interval; less
  - (b) the Market Participant's scheduled imbalance from the last published operational schedule commencing in the previous scheduling interval;
- which may result in a negative amount, multiplied by
- (c) the market price determined under Subdivision 2 for the commencement of that scheduling horizon.
- (4) The total deviation payment of a Market Participant and AEMO for a gas day is the sum of the deviation payments determined for each scheduling interval of that gas day.
- (5) The deviation payment of a Market Participant and AEMO arising from each of the scheduling intervals of the gas day is, for each of these scheduling intervals:
- (a) the deviation for that Market Participant or AEMO for that scheduling interval;
- multiplied by
- (b) the market price determined under Subdivision 2 for the commencement of the next scheduling interval.
- (6) The market price to be used in the determination of deviation payments under subrule (5) for the last scheduling interval of a gas day is the market price for the standard schedule time of 6:00 am on the following gas day.
- (7) For the purpose of determining each Market Participant's actual imbalance in a scheduling interval, AEMO must make an adjustment to the total quantity of gas (if any) withdrawn by that Market Participant from the declared transmission system in that scheduling interval to account for unaccounted for gas in accordance with the following formula:

$$AWT = MWT / (1 - UAFGT)$$

Where:

AWT is the net adjusted quantity of gas that is to be treated as having been withdrawn by that Market Participant from the declared transmission system in that scheduling interval; and

MWT is the net quantity of gas withdrawn by that Market Participant from the declared transmission system in that scheduling interval; and

UAFGT is 0.0 or some other value fixed (after consultation with Market Participants) for the purposes of this definition, and published, by AEMO.

- (8) For the purpose of determining each Market Participant's actual imbalance in a scheduling interval, AEMO must make an adjustment to the total quantity of gas (if any) withdrawn by that Market Participant in that scheduling interval from a distribution delivery point to account for unaccounted for gas in accordance with the following formula:

$$AWD = MWD / \{(1 - UAFGD) \times (1 - UAFGT)\}$$

Where:

AWD is the adjusted quantity of gas that is to be treated as having been withdrawn by that Market Participant in that scheduling interval from that distribution delivery point;

MWD is the quantity of gas withdrawn by that Market Participant in that scheduling interval from that distribution delivery point;

UAFGD is the relevant unaccounted for gas benchmark assigned to:

- (a) the Distributor on whose distribution pipeline the distribution delivery point is located; and
- (b) the quantity of gas withdrawn by that Market Participant at that distribution delivery point,

in accordance with the declared metering requirement; and

UAFGT is 0.0 or some other value fixed (after consultation with Market Participants) for the purposes of this definition, and published, by AEMO.

- (9) The net adjusted withdrawals of a Market Participant at a system withdrawal point must be determined:
- (a) subject to paragraphs (b) and (c), at that system withdrawal point as the metered quantity of gas withdrawn, adjusted in accordance with subrule (7);
  - (b) at a system withdrawal point at which an Allocation Agent or Sub-Allocation Agent has been appointed in accordance with rule 230(1), as the quantity of gas allocated to that Market Participant at that system withdrawal point in accordance with rule 230, adjusted in accordance with subrule (7); or
  - (c) at a system withdrawal point at which an Allocation Agent or Sub-Allocation Agent should have been appointed under rule 230(1) but has not been appointed, as the quantity of gas determined in accordance with rule 230(12), adjusted in accordance with subrule (7).
- (10) A Market Participant's adjusted withdrawals at a distribution delivery point must be determined:
- (a) subject to paragraphs (b) and (c) as:

- (i) the metered quantity of gas withdrawn at that distribution delivery point; or
  - (ii) the data provided to AEMO for settlement purposes in accordance with the Retail Market Procedures for that distribution delivery point, adjusted in accordance with subrule (8);
- (b) at a distribution delivery point at which an Allocation Agent or Sub-Allocation Agent has been appointed in accordance with rule 230(1), as the quantity of gas allocated to that Market Participant at that distribution delivery point in accordance with rule 230, adjusted in accordance with subrule (8); and
- (c) at a distribution delivery point at which an Allocation Agent or Sub-Allocation Agent should have been appointed under rule 230(1) but has not been appointed, as the quantity of gas in accordance with rule 230(12), adjusted in accordance with subrule (8).

- (11) A Market Participant's aggregate net adjusted withdrawals in a scheduling interval are determined as:

$$\sum AW = \sum AWT + \sum AWD$$

Where:

$\sum AW$  is the aggregate of all that Market Participant's net adjusted withdrawals in that scheduling interval;

$\sum AWT$  is the sum of all that Market Participants' net adjusted withdrawals at system withdrawal points in that scheduling interval; and

$\sum AWD$  is the sum of all that Market Participant's net adjusted withdrawals in that scheduling interval at distribution delivery points supplied from system withdrawal points other than those for which quantities have been included in  $\sum AWT$ .

- (12) For the purposes of determining amounts of gas withdrawn in each scheduling interval of the gas day by a Market Participant or Customers of that Market Participant at distribution delivery points for which the meters are basic meters, the quantity of gas withdrawn by that Market Participant in each hour of the gas day must be determined using the following formula:

$$Q = DQ \times (HNSL/NSL)$$

Where:

$Q$  is the quantity of gas withdrawn by a Market Participant or Customers of that Market Participant in an hour at distribution delivery points for which the meters are basic meters that is to be treated as having been withdrawn by that Market Participant in an hour;



DQ is the quantity as determined under subrule (10)(a)(ii) of gas withdrawn in that gas day by that Market Participant or Customers of that Market Participant at distribution delivery points for which the meters are basic meters;

HNSL is the amount of load of all Market Participants in an hour of the gas day that is determined when determining the net system load; and

NSL is a daily amount consisting of the sum of all net system loads for all declared distribution systems.

## **236 Settlement amounts for billing periods**

- (1) AEMO must determine the settlement amount for each Market Participant for each billing period in accordance with subrule (2).
- (2) The settlement amount for a Market Participant for a billing period is calculated as follows:
  - (a) add the following amounts:
    - (i) the sum of that Market Participant's trading amounts for each gas day in that billing period;
    - (ii) any participant fees that the Market Participant is required to pay in respect of that billing period in connection with AEMO's functions under this Part;
    - (iii) any Participant compensation fund contribution that the Market Participant is required to make in accordance with Subdivision 4;
    - (iv) any amount that the Market Participant is required to pay to AEMO in respect of compensation payments in accordance with rule 238;
    - (v) if AEMO has completed its determination of ancillary payments and consequential associated uplift payments arising from a gas day – uplift payments of that Market Participant determined in accordance with rule 240 in respect of that gas day and not previously taken into account in determining the settlement amount for a billing period in respect of that Market Participant;
    - (vi) any other amounts payable by that Market Participant to AEMO in respect of that billing period;
    - (vii) any amount payable by that Market Participant to AEMO in respect of any linepack account deficit in accordance with rule 242(2);
    - (viii) any amount payable by that Market Participant to AEMO in accordance with the provisions of the Retail Market Procedures;
  - (b) subtract the following amounts:

- (i) any amount payable by AEMO to that Market Participant in respect of any linepack account surplus in accordance with rule 242(3);
  - (ii) if AEMO has completed its determination of ancillary payments and consequential associated uplift payments arising from a gas day – ancillary payments of that Market Participant determined in accordance with rule 239 in respect of that gas day and not previously taken into account in determining the settlement amount for a billing period in respect of that Market Participant,
  - (iii) any other amount payable by AEMO to that Market Participant in respect of that billing period.
- (3) The settlement amount determined by AEMO pursuant to this rule for each Market Participant will be a positive or negative dollar amount, where a negative dollar amount is a payment from AEMO to the Market Participant.

## **237 Participant Compensation Claims**

- (1) A Registered participant who wishes to make a claim under rule 343 (intervention) or 349 (administered price cap) must submit notice of its claim to AEMO within 10 business days following the issue of the final statement for that gas day in which the Registered participant made the injection of gas referred to in the claim.
- (2) A compensation claim by a Registered participant is taken to be a relevant dispute for the purposes of Part 15C to which the parties are AEMO and the relevant Registered participant, but the dispute resolution processes apply only to the extent specified in this rule and rule 238.
- (3) Subject to subrule (4), when a Registered participant gives notice of a claim under subrule (1), that Registered participant must specify a date from which AEMO has 5 business days to request the Adviser to establish the Dispute resolution panel under subrule (6).
- (4) The date specified under subrule (3) must be no more than 30 business days following the issue of the final statement for the gas day for which the claim has been made.
- (5) A Registered participant may withdraw a claim at any time before the date specified in subrule (2).
- (6) If a Registered participant has not withdrawn a claim under subrule (5), then AEMO must:
  - (a) within 5 business days of the date specified under subrule (3), request the Adviser to establish a Dispute resolution panel to determine whether it is appropriate in all the circumstances for compensation to be paid and, if so, to determine an appropriate amount of compensation; and

- (b) refer the claim to the Adviser for determination by the Dispute resolution panel.
- (7) The Adviser must within 5 business days of receiving a request from AEMO, establish a Dispute resolution panel in accordance with rule 135HD.
- (8) Upon a referral of a claim to it, the Dispute resolution panel must:
  - (a) make a determination in accordance with rule 238 and (subject to this subrule) in accordance with the applicable requirements of the dispute resolution process; and
  - (b) notify AEMO of that determination as soon as practicable but in any event within 20 business days following the establishment of the Dispute resolution panel under subrule (7) (or such longer period as the Adviser may permit following a request by the Dispute resolution panel for an extension of time).
- (9) Despite rule 135JA, the costs of the Adviser and the Dispute resolution panel on a compensation claim are to be borne by AEMO unless the Dispute resolution panel re-allocates those costs, or a proportion of those costs, to a party on the ground that the party has unreasonably prolonged the proceedings or there is some other good reason to alter the allocation of those costs.
- (10) AEMO must make Procedures (**compensation procedures**) that describe the principles and methodology upon which compensation amounts are to be determined under rule 238.
- (11) In this rule, **Adviser** means the dispute resolution adviser appointed under rule 135G.

## **238 Determination and payment of compensation claims**

- (1) The Dispute resolution panel must make a determination, consistent with the compensation procedures, on:
  - (a) amounts of compensation to be paid by AEMO to a Registered participant in respect of claims made by that Registered participant under rule 344 or 350; and
  - (b) amounts to be paid to AEMO by Market Participants and the declared transmission system service provider to fund compensation payment amounts determined under paragraph (a).
- (2) The total of amounts determined by the Dispute resolution panel under subrule (1)(b) must equal the total of amounts determined by it under subrule (1)(a).
- (3) If the Dispute resolution panel makes a determination that compensation should be paid to a Registered participant, AEMO must pay that Registered participant

those amounts and must advise the Registered participant as soon as practicable of the determination and of the date AEMO intends to make the payment.

- (4) AEMO must pay interest on the amounts determined in accordance with subrule (1)(a) at the interest rate from the day following the date of the next payment of settlement amounts made under rule 247 following the determination of the Dispute resolution panel to the date when AEMO actually pays the Registered participant the amount of the compensation determined. Interest is to be calculated as simple interest on a daily basis.
- (5) If the Dispute resolution panel determines that an amount is payable in respect of compensation claimed by a Registered participant in accordance with rule 343 or 349, then AEMO is entitled to recover those payments in accordance with this rule and each Market Participant and the declared transmission system service provider must pay to AEMO an amount determined in accordance with this rule.
- (6) Market Participants and the declared transmission system service provider must pay interest on amounts determined in accordance with subrule (1)(b) at the interest rate from the day following the date of the next payment of settlement amounts following the determination of the Dispute resolution panel to the date when the Market Participant or the declared transmission system service provider actually pays the amount to AEMO. Interest is to be calculated as simple interest on a daily basis.

## **239 Ancillary payments**

- (1) Subject to subrule (2), AEMO must make Procedures (**ancillary payment procedures**) governing the determination of ancillary payments.
- (2) If AMDQ has been nominated as a hedge against uplift payments, scheduled injections supporting AMDQ do not qualify for ancillary payments.
- (3) Subject to subrules (4), (5) and (6), any Market Participant who is given a scheduling instruction to inject or withdraw more gas than the quantity of gas that the Market Participant was scheduled to inject or withdraw under the relevant pricing schedule, is entitled to receive an ancillary payment in accordance with this rule.
- (4) Ancillary payments payable to a Market Participant who is scheduled to inject or withdraw less gas under the relevant pricing schedule than the quantity required in the relevant scheduling instruction are limited to the quantities of gas injected or withdrawn in accordance with the relevant scheduling instruction, as the case may be.
- (5) If and for so long as either of the following apply:
  - (a) the administered price cap applies; or
  - (b) **[Deleted]**.

(c) AEMO has suspended the Market under rule 347;

then, for the purposes of determining ancillary payments payable to a Market Participant under this rule, the price steps of the relevant bids must be limited to the administered price cap.

- (6) If a Market Participant is instructed by AEMO to inject or withdraw a quantity of gas less than the amount of gas specified for injection or withdrawal (as the case may be) by that Market Participant in the pricing schedule, that Market Participant is not entitled to be paid ancillary payments for that amount.
- (7) AEMO must determine and publish the estimated total ancillary payments for each scheduling horizon when publishing the operating schedule and pricing schedule applicable to that scheduling horizon.

## 240 Uplift payments

- (1) Subject to subrule (2), AEMO must make Procedures (**uplift payment procedures**) governing the determination of:
  - (a) an estimate of the portion (if any) of any ancillary payments in respect of a gas day in accordance with rule 239 which are attributable to daily and within day transmission constraints;
  - (b) an estimate of the total size in GJ of the daily and within day transmission constraint (if any) giving rise to the portion of ancillary payments estimated in accordance with paragraph (a); and
  - (c) with respect to any ancillary payments, the uplift payments payable by or to each declared transmission system service provider and Market Participant.
- (2) In making the uplift payment procedures, AEMO must apply the following principles:
  - (a) uplift payments are to be allocated so far as practicable to the cause;
  - (b) in allocating uplift payments arising from events occasioning daily transmission constraints AEMO must take into account the extent to which a Market Participant's AMIQ is exceeded by the sum of its forecast demand and scheduled withdrawals;
  - (c) operational gas is excluded from allocation of uplift payments.
- (3) AEMO must determine the AMIQ for each Market Participant for each scheduling interval in accordance with the uplift payment procedures and those procedures must take account of:
  - (a) AMIQ profiles submitted by that Market Participant for the gas day;
  - (b) threshold limits determined by AEMO to limit the AMIQ for each scheduling interval of the gas day;

- (c) authorised MDQ of that Market Participant and Customers supplied by it, including:
    - (i) authorised MDQ of sites that are tariff D withdrawal points for which the Market Participant is identified in the metering register as the Market Participant responsible, at the relevant time, for settling accounts relating to those withdrawal points;
    - (ii) diversity factors associated with those sites;
    - (iii) authorised MDQ of that Market Participant which is not assigned to tariff D withdrawal points or tariff V withdrawal points;
    - (iv) an assignment of authorised MDQ for tariff V withdrawal points on the basis of the Market Participant's share of total withdrawals of Customers supplied from tariff V withdrawal points in accordance with those procedures;
  - (d) AMDQ credit certificates of that Market Participant and Customers supplied by it;
  - (e) scheduled injections from close proximity injection points to a system injection point associated with authorised MDQ or AMDQ credit certificates;
  - (f) injection hedge nominations by that Market Participant and agency injection hedge nominations as applicable to that Market Participant for the gas day.
- (4) A Market Participant must pay or be paid uplift payments in respect of withdrawals of gas by that Market Participant or by Customers who purchase gas from that Market Participant in accordance with the principles of subrule (2) and the uplift payment procedures.
- (5) Nothing in subrule (4) precludes a Retailer from recovering from its Customers the amount of any liability to pay uplift payments in respect of withdrawals of gas by those Customers.
- (6) Subject to subrule (7), the declared transmission system service provider must pay or be paid uplift payments calculated in accordance with the principles of subrule (2), the quantity determined under subrule (9)(a), and the uplift payment procedures.
- (7) Where the amount of uplift payment attributable to the failure of the declared transmission system service provider to fulfil its obligations under its service envelope agreement in any gas day exceeds any applicable limit on the declared transmission system service provider's liability for uplift payments under its service envelope agreement, then Market Participants must pay or be paid the uplift payment amount in excess of the applicable limit and in accordance with the uplift payment procedures.

- (8) As soon as reasonably practicable, AEMO must publish details of total amounts of ancillary payments to be made in respect of each gas day and the portions of those ancillary payments which are due to transmission constraints, if any.
- (9) If, in accordance with the uplift payment procedures, AEMO determines that any part of any ancillary payments which are payable in respect of a gas day is attributable to a transmission constraint, then AEMO must also determine and publish:
  - (a) after taking into consideration the service envelope agreement, the extent (measured in GJ) to which that transmission constraint was caused by the failure of the declared transmission system service provider to fulfil its obligations under its service envelope agreement in that trading interval;
  - (b) the aggregate of any quantities of gas withdrawn at tariff D withdrawal points in that trading interval in excess of the authorised MDQ applicable to those tariff D withdrawal points;
  - (c) the aggregate quantity of gas, if any, withdrawn at all tariff V withdrawal points in that trading interval in excess of the aggregate authorised MDQ applicable to those tariff V withdrawal points; and
  - (d) the aggregate quantity of gas withdrawn at all tariff D withdrawal points in that trading interval.

## **241 Linepack account**

- (1) AEMO must maintain a linepack account in respect of each gas day in accordance with subrule (2).
- (2) AEMO must determine the amount to be added to the linepack account in respect of each gas day in accordance with the following formula:

$$LPDA = - (TIP + TDP)$$

Where:

LPDA is the daily linepack amount in \$ to be added to the linepack account in respect of imbalance payments and deviation payments for that gas day (which may be positive or negative); and

TIP is the total of imbalance payments of all Market Participants for the gas day determined in accordance with rule 235(1); and

TDP is the total of deviation payments of all Market Participants and AEMO for the gas day determined in accordance with rule 235(4).

## **242 Linepack payments**

- (1) AEMO must clear the balance on the linepack account each billing period by charging or making payments to Market Participants in accordance with this rule.

- (2) If the daily linepack amount to be added to the linepack account for the relevant billing period is a positive amount for a gas day, each Market Participant who withdrew gas from the declared transmission system in that gas day must pay AEMO an amount calculated as follows:

$$\text{PMD} = (\text{LPDA} \times \text{QWD}) / \sum \text{QWD}$$

Where:

PMD is the amount that the Market Participant must pay to AEMO in respect of gas day D;

LPDA is the positive daily linepack amount for the relevant gas day;

QWD is the quantity of net adjusted withdrawals from the declared transmission system by that Market Participant in gas day D; and

$\sum \text{QWD}$  is the total quantity of net adjusted withdrawals from the declared transmission system by all Market Participants in gas day D.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (3) If the daily linepack amount to be added to the linepack account for the relevant billing period is a negative amount for a gas day, AEMO must pay each Market Participant who withdrew gas from the declared transmission system in that gas day an amount calculated as follows:

$$\text{PVD} = (\text{NLPDA} \times \text{QWD}) / \sum \text{QWD}$$

Where:

PVD is the amount that AEMO is required to pay to the Market Participant in respect of gas day D;

NLPDA is the negative daily linepack amount for the relevant gas day;

QWD is as defined in subrule (2); and

$\sum \text{QWD}$  is as defined in subrule (2).

- (4) AEMO must determine the total amount to be paid by each Market Participant in respect of the linepack account for a billing period in accordance with the following formula:

$$\text{VLPC} = \sum \text{PMD} + \sum \text{PVD}$$

Where:



VLPC is the total amount in \$ to be paid by each Market Participant in respect of the linepack account for that billing period (that, for the avoidance of doubt, may be positive or negative);

$\sum$ PMD is the sum of all PMD as defined in subrule (2) for all gas days in the billing period; and

$\sum$ PVD is the sum of all PVD as defined in subrule (3) for all gas days in the billing period.

- (5) Any amount which a Market Participant or AEMO must pay pursuant to this rule must be included by AEMO in the Market Participant's settlement statement for the relevant billing period.

## **243 Payment of settlement amount**

- (1) Where the settlement amount for a Market Participant is a positive amount, the Market Participant must pay that amount to AEMO in accordance with rule 246.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (2) Where the settlement amount for a Market Participant is a negative amount, AEMO must pay that amount to the Market Participant in accordance with rule 247.

## **244 Preliminary statements**

- (1) Within 7 business days after the end of each billing period, AEMO must give each Market Participant a preliminary settlement statement that sets out the market transactions of that Market Participant in that billing period and the settlement amount payable by or to that Market Participant.
- (2) The statements issued under this rule must include supporting data for all amounts payable that must be sufficient to enable each Market Participant to audit the calculation of the amount payable by or to that Market Participant.
- (3) If the Market Participant reasonably believes there to be an error or discrepancy in the preliminary settlement statement given to the Market Participant by AEMO under subrule (1), the Market Participant must notify AEMO as soon as practicable of that error or discrepancy and AEMO must review the preliminary settlement statement.
- (4) If AEMO considers that a preliminary settlement statement contains an error or discrepancy after reviewing the preliminary statement under subrule (3), AEMO must notify all Market Participants whose final statements will be affected by the error or discrepancy within 7 days of the date on which the error or discrepancy

first came to the attention of AEMO and AEMO must ensure that the error or discrepancy is corrected in the relevant final statements.

## **245 Final statements**

- (1) No later than 18 business days after the end of each billing period, AEMO must give to each Market Participant a final statement stating the amounts payable by the Participant to AEMO or payable by AEMO to the Market Participant (subject to rule 252) in respect of the relevant billing period.
- (2) The statements issued under this rule must include supporting data for all amounts payable that must be sufficient to enable each Market Participant to audit the calculation of the amount payable by or to that Market Participant.

## **246 Payment by Market Participants**

- (1) No later than 12 noon on the twentieth business day after the end of a billing period or 12 noon on the second business day after receiving a final statement under rule 245, whichever is the later, each Market Participant must pay to AEMO in cleared funds the settlement amount stated to be payable to AEMO by that Market Participant in that Market Participant's final statement.
- (2) Payments made in accordance with subrule (1) must be made using bank clearing house arrangements determined by AEMO after consulting with Market Participants and published by AEMO.

### **Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

## **247 Payment to Market Participants**

- (1) By no later than 2:00 p.m. on the day on which AEMO is to be paid under rule 246, AEMO must pay to each Market Participant in cleared funds the settlement amount stated to be payable to that Market Participant in that Market Participant's final statement.
- (2) Payments made in accordance with subrule (1) must be made using bank clearing house arrangements determined by AEMO after consulting with Market Participants and published by AEMO.

## **248 Settlement queries and disputes**

- (1) A Market Participant may only query or dispute a settlement amount or the supporting data for a billing period in respect of the most recently issued settlement statement for that relevant billing period.
- (2) If a Market Participant notifies AEMO of a query concerning either:

- (a) the settlement amount stated in a preliminary settlement statement provided under rule 244 to be payable by or to AEMO or a Market Participant; or
- (b) the supporting data provided in accordance with rule 244,

AEMO and the Market Participant must each use reasonable endeavours to resolve that query within 15 business days after the end of the relevant billing period.

- (3) If, during the period between the issue of a final statement and the issue of a revised statement in accordance with rule 249(1), a Market Participant notifies AEMO of a query concerning either:
  - (a) the settlement amount stated in a final statement provided under rule 245 to be payable by or to AEMO or a Market Participant; or
  - (b) the supporting data provided in accordance with rule 245,

AEMO and the Market Participant must each use reasonable endeavours to resolve that query within 113 business days after the end of the billing period.

- (4) Proceedings for the resolution of a dispute in respect of:
  - (a) the settlement amount stated in a revised statement provided under rule 249(1) or (2) to be payable by AEMO or a Market Participant; or
  - (b) the supporting data provided in accordance with rule 249(1) or (2),

must be initiated in accordance with the dispute resolution processes within 60 business days after the date of issue of that revised statement.

## **249 Revised statements**

- (1) AEMO must revise each final statement issued in accordance with rule 245 using, for the purpose of that revision, the most recent information available to AEMO on the 118th business day after the relevant billing period, and AEMO must issue a revised statement for the relevant billing period in accordance with subrule (4).
- (2) If, within 18 months of the issue of a revised statement under subrule (1), AEMO becomes aware of an error in an amount stated in that final statement or revised statement and in AEMO's reasonable opinion a Participant would be materially affected if a revision to the final statement or revised statement was not made to correct the error, then AEMO must:
  - (a) advise each Market Participant likely to be materially affected by the error within 5 business days of AEMO deciding the error is material, and
  - (b) as soon as practicable issue revised statements for the relevant billing period in accordance with subrule (4).

- (3) If an amount in a revised statement issued under subrule (1) or (2) has been the subject of a dispute and the dispute has been resolved in a way that causes the amount payable to differ from the amount payable in the disputed revised statement then AEMO must issue a revised statement to each Market Participant affected by the resolution of the dispute, in accordance with subrule (4).
- (4) AEMO must issue to each Market Participant affected by a revision a revised statement for the relevant billing period within 5 business days of a revision made in accordance with subrule (1) or (2) or, as the case may be, resolution of a dispute referred to in subrule (3), setting out:
  - (a) the amount payable by the Market Participant to AEMO or, subject to rule 252, the amount payable by AEMO to the Market Participant; and
  - (b) the adjustment to the final statement as agreed or determined plus interest at the interest rate for the period commencing on the payment date applicable to the final statement or previous revised statement to which the adjustment relates and ending on the payment date applicable to the revised statement. Interest is to be calculated as simple interest on a daily basis.
- (5) Each revised statement issued under this rule must include supporting data for all amounts payable that must be sufficient to enable each Market Participant to audit the calculation of the amount payable by or to that Market Participant.

## **250 Payment of adjustments**

- (1) AEMO must specify the time and date on which a payment of an adjustment under a revised statement issued under rule 249 is due, which date must be not less than 10 business days after the issue of that revised statement.
- (2) If the next final statement payment date occurs 10 business days or more after the issue of a revised statement under rule 249 then AEMO must require payment of the adjustment under that revised statement to be made on that next final statement payment date.
- (3) If the next final statement payment date occurs less than 10 business days after the date of issue of a revised statement under rule 249 then AEMO must require payment of the adjustment under that revised statement to be made on the final statement payment date following the next final statement payment date.
- (4) By no later than the time and date specified by AEMO pursuant to subrule (1), each Market Participant must pay to AEMO in cleared funds the net amount stated to be payable by that Market Participant in the revised statement issued to it under rule 249.

### **Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (5) Subject to rule 252, on the day on which AEMO is to be paid under subrule (4), AEMO must pay to each Market Participant in cleared funds the net amount stated to be payable to that Market Participant in the revised statement issued to it under rule 249.

## **251 Payment default procedure**

- (1) Each of the following events is a default event in relation to a Market Participant:
- (a) the Market Participant does not pay money due for payment by it to AEMO under this Part by the appointed time on the due date;
  - (b) as a result of AEMO exercising its rights under a security provided by a Market Participant under Subdivision 7, the maximum amount which AEMO is entitled to be paid under the security is less than the Market Participant's minimum exposure;
  - (c) AEMO does not receive payment in full of any amount claimed by AEMO under any credit support in respect of a Market Participant, within 90 minutes after the due time for payment of that claim;
  - (d) the Market Participant fails to provide credit support required to be supplied under this Part, including any replacement security under rule 257, by the appointed time on the due date;
  - (e) it is or becomes unlawful for the Market Participant to comply with any of its obligations under these rules or any other obligation owed to AEMO or it is claimed to be so by the Market Participant;
  - (f) it is or becomes unlawful for any Credit Support Provider in relation to the Market Participant to comply with any of its obligations under this Part or any other obligation owed to AEMO or it is claimed to be so by that Credit Support Provider;
  - (g) an authorisation from a government authority or regulatory body necessary to enable the Market Participant or a Credit Support Provider that has provided credit support for that Market Participant to carry on their respective principal businesses or activities ceases to have full force and effect;
  - (h) the Market Participant or a Credit Support Provider that has provided credit support for that Market Participant ceases or is likely to cease to carry on its business or a substantial part of its business;
  - (i) the Market Participant or a Credit Support Provider that has provided credit support for that Market Participant enters into or takes any action to enter into an arrangement (including a scheme of arrangement), composition or compromise with, or assignment for the benefit of, all or any class of their respective creditors or members, or a moratorium involving any of them;

- (j) the Market Participant or a Credit Support Provider that has provided credit support for that Market Participant states that it is unable to pay from its own money its debts as and when they fall due for payment;
  - (k) a receiver or receiver and manager is appointed in respect of any property of the Market Participant or a Credit Support Provider that has provided credit support for that Market Participant;
  - (l) an administrator, provisional liquidator, liquidator, trustee in bankruptcy or person having a similar or analogous function is appointed in respect of the Market Participant or a Credit Support Provider that has provided credit support for that Market Participant;
  - (m) an order is made, or a resolution is passed, for winding up the Market Participant, or a provider of *credit support* for the Market Participant;
  - (n) a notice under section 601AB(3) of the *Corporations Act 2001* is given to the Market Participant or a Credit Support Provider that has provided credit support for that Market Participant unless the registration of that Market Participant or Credit Support Provider is reinstated under section 601AH of the *Corporations Act*;
  - (o) the Market Participant or a Credit Support Provider that has provided credit support for that Market Participant dies or is dissolved unless the notice of dissolution is discharged; and
  - (p) the Market Participant or a Credit Support Provider that has provided credit support for that Market Participant is taken to be insolvent or unable to pay its debts under any applicable legislation.
- (2) Where a default event has occurred in relation to a Market Participant, AEMO may:
- (a) issue a default notice which specifies:
    - (i) the nature of the alleged default event; and
    - (ii) if AEMO considers that the default event is capable of remedy, that the Market Participant must remedy the default event within 24 hours of the issue of the default notice; and/or
  - (b) immediately issue a suspension notice in accordance with rule 260 if AEMO considers that the default event is not capable of remedy and that failure to issue a suspension notice would be likely to expose other Market Participants to greater risk; and/or
  - (c) if it has not already done so, make a claim upon any credit support held in respect of the Market Participant for such amount as AEMO determines represents the amount of any money actually or contingently owing by the Market Participant to AEMO pursuant to this Part and the Retail Market Procedures.

- (3) If:
- (a) a default event is not remedied within 24 hours of the issue of a default notice or any later time agreed to in writing by AEMO; or
  - (b) AEMO receives notice from the defaulting Market Participant that it is not likely to remedy the default event specified in the default notice,
- then AEMO must issue a suspension notice in accordance with rule 260.

## **252 Maximum total payment in respect of a billing period**

- (1) For the purposes of this rule, the maximum total payment in respect of a billing period is equal to:
- (a) the aggregate of the amounts received by AEMO from Market Participants under rule 246 in respect of that billing period by 4:00 pm on the payment date; plus
  - (b) if one or more Market Participants are in default, the aggregate amount which AEMO is able to obtain from the credit support provided by those Market Participants under Subdivision 7 before 4:00 pm on the payment date; less
  - (c) the aggregate amount of all participant fees and other payments received by AEMO pursuant to rule 236(2)(b).
- (2) For the purpose of subrule (1), any payment received by AEMO from a Market Participant in respect of a billing period is taken to be made, and may be applied by AEMO, in satisfaction of the participant fees and other payments specified in rule 236(2)(b) payable to AEMO by that Market Participant (as specified in the final statement issued to that Market Participant in respect of that billing period) before it is applied by AEMO in satisfaction of any other obligation or liability.
- (3) If the maximum total payment in respect of a billing period is not sufficient to meet the aggregate of the net amounts payable by AEMO to each of the Market Participants to whom payments are to be made in respect of the billing period, then the amount payable by AEMO to each relevant Market Participant in respect of that billing period is reduced by applying the following formula:

$$AAP = (SAP \times A)/B$$

where:

AAP is the reduced amount payable by AEMO to the relevant Market Participant in respect of the relevant billing period;

SAP is the net amount that would have been payable to the relevant Market Participant for the relevant billing period but for the application of this rule.

A is the maximum total payment in respect of the billing period; and

B is the aggregate of the net amounts payable by AEMO to Market Participants under rule 247 in respect of the billing period.

## **253 Interest on overdue amounts**

- (1) A Market Participant or AEMO must pay interest on any unpaid moneys due and payable by it under this Subdivision.
- (2) Subject to rules 238 and 249, the interest accrues at the default interest rate, calculated as simple interest on a daily basis, from the date payment was due up to and including the date the payment is made.

## **Subdivision 7 Prudential requirements**

### **254 Provision of security**

- (1) Subject to subrule (2), a Market Participant must provide and maintain a security complying with the requirements of this Subdivision.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (2) If AEMO believes it is likely that the amount payable by AEMO to that Market Participant under this Part in respect of a period will consistently exceed the amount payable to AEMO by that Market Participant under this Part in respect of that period, then AEMO may exempt the Market Participant from the requirement to provide a security under subrule (1) for that period.
- (3) If, under subrule (2), AEMO has exempted a Market Participant from the requirement to provide a security under subrule (1), then AEMO may vary or cancel the exemption at any time by giving written notice of the variation or cancellation of the exemption to the Market Participant.

### **255 Form of security**

The security provided by a Market Participant under this Subdivision must be either:

- (a) a bank guarantee in a form and from a bank acceptable to AEMO; or
- (b) another immediate, irrevocable and unconditional commitment in a form and from a bank or other institution acceptable to AEMO.

### **256 Amount of security**

- (1) Subject to rule 254(2), prior to the end of each financial year AEMO must determine and provide written confirmation to each Market Participant of that



Market Participant's minimum exposure, calculated as AEMO's reasonable estimate of the participant fees payable by the Market Participant to AEMO in respect of a billing period in the following financial year.

- (2) AEMO may review its determination of a Market Participant's minimum exposure at any time, provided that any change to a Market Participant's minimum exposure will apply no earlier than 30 days following notification by AEMO to that Market Participant of that change or such earlier period agreed by the Board of AEMO.
- (3) Each Market Participant must ensure that the amount undrawn or unclaimed under the security held by AEMO in respect of that Market Participant never falls below the Market Participant's minimum exposure.
- (4) A Market Participant may in its absolute discretion provide to AEMO a security for an aggregate amount that exceeds its minimum exposure.

## **257 Replacement security**

- (1) If:
  - (a) an existing security provided by a Market Participant under this Subdivision is about to expire or terminate; and
  - (b) the remaining securities provided by the Market Participant will be insufficient to cover the Market Participant's minimum exposure;

the Market Participant must deliver to AEMO, at least 10 business days before the existing security is due to expire or terminate, a replacement security that complies with this Subdivision (and is, in particular, of sufficient value to enable the Market Participant to comply with rule 256(3)), and will take effect no later than the date the existing security is due to expire or terminate.

- (2) If a Market Participant fails to comply with subrule (1), and does not remedy the failure within 24 hours of being required by AEMO to do so, AEMO must give the Market Participant a default notice in accordance with rule 259.

## **258 Drawdown of security**

- (1) If AEMO exercises its rights under a security provided by a Market Participant under this Subdivision, then AEMO must notify the Market Participant.
- (2) If, as a result of AEMO exercising its rights under a security, the security or securities provided by the Market Participant under this Subdivision are insufficient to cover the Market Participant's minimum exposure, then the Market Participant must, within 24 hours of the notice under subrule (1), provide additional security to ensure that it complies with this Subdivision.
- (3) If a Market Participant fails to comply with subrule (2), AEMO must give the Market Participant a default notice in accordance with rule 259.

## **259 Default notice**

- (1) When issuing a default notice, AEMO must:
  - (a) notify all Participants;
  - (b) publish the default notice;
  - (c) specify in the default notice the conditions applied to the Market Participant, which may include but are not limited to restrictions relating to:
    - (i) submitting bids or demand forecasts;
    - (ii) injecting gas, or tendering gas for injection, into the declared transmission system; and
    - (iii) withdrawing gas, or tendering gas for withdrawal, from the declared transmission system;
  - (d) specify a date in the default notice from which any restrictions set out in the notice will commence; and
  - (e) include the date as specified in the default notice upon which that Market Participant will be subject to a suspension notice.
- (2) Prior to the date specified in subrule (1)(d), AEMO must revoke a default notice if:
  - (a) in the case of a default event, the default event is remedied; or
  - (b) in the case of a failure to maintain compliance with prudential requirements under this Subdivision, that failure has been remedied; and
  - (c) there are no other circumstances in existence which would entitle AEMO to issue a default notice.
- (3) If a default notice is revoked, AEMO must publish that fact.
- (4) A Market Participant must comply with a default notice issued to it under this rule.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

## **260 Suspension of a Market Participant**

- (1) Where AEMO has issued a default notice and the Market Participant has failed to comply with the terms of the default notice, AEMO must issue a suspension notice to the Market Participant.

- (2) When issuing a suspension notice under this Part, AEMO must:
  - (a) publish the suspension notice;
  - (b) immediately notify all Participants;
  - (c) specify in the suspension notice the conditions applied to the suspended Market Participant, which must include restrictions relating to:
    - (i) submitting bids or demand forecasts;
    - (ii) injecting gas, or tendering gas for injection, into the declared transmission system; or;
    - (iii) withdrawing gas, or tendering gas for withdrawal, from the declared transmission system; and
  - (d) specify in the suspension notice the gas day from which the suspension will commence.
- (3) Prior to the date specified in subrule (2)(d), AEMO must revoke a suspension notice if:
  - (a) in the case of a default event, the default event is remedied; or
  - (b) in the case of a failure to maintain compliance with prudential requirements under this Subdivision, that failure has been remedied; and
  - (c) there are no other circumstances in existence which would entitle AEMO to issue a suspension notice.
- (4) If a suspension notice is revoked, AEMO must publish that fact.
- (5) A Market Participant must comply with a suspension notice issued to it under this Part.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 3 and Schedule 1 of the National Gas (Victoria) (Declared System Provisions) Regulations.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (6) Following the issue of a suspension notice to a Market Participant, AEMO may do all or any of the following to give effect to the suspension notice:
  - (a) reject any bid or demand forecast submitted by that Market Participant;

- (b) refuse to accept delivery of any gas injected, or tendered for injection, by that Market Participant;
  - (c) take action AEMO considers necessary to prevent that Market Participant from injecting or withdrawing gas, including action necessary to curtail the supply of gas to that Market Participant;
  - (d) withhold the payment of any amounts otherwise due to that Market Participant under this Part.
- (7) If AEMO does any of the things referred to in subrule (6) it must promptly publish a notice of that fact.
- (8) If AEMO issues a suspension notice to a Market Participant which is a *Retailer*, AEMO must immediately initiate the RoLR process and immediately notify Participants and the AER of the initiation of that process.
- (9) If a suspension notice has been issued to a Market Participant, and that suspension notice has not been revoked under subrule (3), then on the date specified under subrule (2)(d), the registration of that Market Participant becomes liable to revocation.

## **261 Trading limits**

- (1) Subject to subrule (2), AEMO must set a trading limit for each Market Participant.
- (2) If, under rule 254(2), AEMO has exempted a Market Participant from the requirement to provide a security under rule 254(1) for a period, then AEMO must not set a trading limit for that Market Participant for the period of that exemption.
- (3) The trading limit for a Market Participant at any time must not be less than the greater of:
- (a) the Market Participant's minimum exposure; and
  - (b) a level determined and published by AEMO after consulting with Market Participants.

## **262 Monitoring**

- (1) Each business day, AEMO must review its estimated exposure to each Market Participant in respect of previous billing periods under this Part and the Retail Market Procedures.
- (2) In calculating AEMO's estimated exposure to a Market Participant under subrule (1), the period between the start of the billing period in which the review occurs and the start of the gas day immediately following the day on which the review occurs is to be treated as a previous billing period.

- (3) In calculating AEMO's estimated exposure to a Market Participant under subrule (1), AEMO must take into account:
  - (a) outstanding settlement amounts for the Market Participant in respect of previous billing periods; and
  - (b) settlement amounts for the Market Participant for gas days from the start of the billing period in which the review occurs to the end of the gas day on which the review occurs based on:
    - (i) market prices;
    - (ii) for metering installations, the actual metering data or if actual metering data is not available then metering data substituted by AEMO in accordance with rule 314; and
    - (iii) data provided to AEMO in accordance with the Retail Market Procedures.
  - (c) Amounts that AEMO is entitled to recover from that Market Participant under the Retail Market Procedures.
- (4) If AEMO calculates that its estimated exposure to a Market Participant exceeds the greater of:
  - (a) the Market Participant's minimum exposure; and
  - (b) 80% of the Market Participant's trading limit,then AEMO must inform the Market Participant accordingly.

## **263 Margin calls**

- (1) If AEMO calculates that its exposure to a Market Participant exceeds the Market Participant's trading limit, then AEMO must make a margin call on that Market Participant by notice to the Market Participant.
- (2) If AEMO makes a margin call on a Market Participant under subrule (1), then the Market Participant must satisfy the margin call within the period determined in accordance with subrule (3) by either:
  - (a) providing to AEMO an additional security or securities complying with the requirements of this Subdivision which enables AEMO to increase the Market Participant's trading limit to a level which exceeds AEMO's estimated exposure to the Market Participant; or
  - (b) prepaying a portion of the amount payable or which will become payable in respect of previous billing periods sufficient to reduce AEMO's estimated exposure to the Market Participant to below the Market Participant's trading limit.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (3) The period within which a margin call must be satisfied under subrule (2) is:
- (a) if the margin call is made on a business day before 10:00 am, then the period commences at the time the margin call is made and finishes at 2:00 pm on that business day; and
  - (b) if paragraph (a) does not apply, then the period commences when the margin call is made and ends at 10:00 am on the first business day to occur after the margin call is made.
- (4) A prepayment under subrule (2)(b) is taken to relate to the earliest billing period in respect of which the relevant Market Participant owes AEMO an amount of money under this Part and, if the amount the Market Participant owes under this Part in respect of that billing period is less than the amount of the prepayment, then the excess is taken to relate to the billing periods occurring immediately after the earliest billing period in respect of which the relevant Market Participant owes AEMO an amount of money under this Part in chronological order until there is no excess.
- (5) If a Market Participant fails to satisfy a margin call by providing an additional security or making a prepayment under subrule (2) within the time referred to in that subrule, then AEMO must give the Market Participant a suspension notice in accordance with rule 260.

## **264 Confidential Information**

Information provided to AEMO by a Market Participant in relation to its financial circumstances is confidential information.

## **Subdivision 8 GST**

### **265 Interpretation**

Terms used in this Subdivision have the same meaning given to those terms in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

### **266 Application of GST**

- (1) Subject to subrule (2), all monetary amounts payable determined, published or notified under, or referred to in, this Part (including participant fees) exclude GST.
- (2) A settlement statement or invoice for a taxable supply made under this Part must include GST.

## **Division 3            Technical Matters**

### **Subdivision 1        Connection to the declared transmission system**

#### **267            Application of this Subdivision**

- (1) This Subdivision applies to:
  - (a) all connection agreements made after 15 March 1999;
  - (b) all deemed connection agreements created pursuant to subrule (2); and
  - (c) all requests to establish a connection or modify an existing connection after 15 March 1999.
- (2) If requested by a Connected Party or by the declared transmission system service provider, the service provider and the Connected Party must document the terms of any connection arrangements made prior to 15 March 1999 and the resulting document will then be deemed to be a connection agreement for the purposes of this Part.
- (3) This Subdivision does not:
  - (a) alter any of the terms of a connection agreement made prior to 15 March 1999; or
  - (b) alter the contractual rights or obligations of any of the parties under a connection agreement between the declared transmission system service provider and the Connected Party made prior to 15 March 1999; or
  - (c) relieve the parties to a connection agreement made prior to 15 March 1999 of their contractual obligations under that agreement.
- (4) Subject to subrule (3), if any right or obligation of a Connected Party under a connection agreement is inconsistent with any provision of this Part, the provisions of this Part prevail.

#### **268            Obligations of declared transmission system service provider**

- (1) The declared transmission system service provider must:
  - (a) receive and process applications for connection or modification of a connection submitted to it and enter into a connection agreement with each Connected Party and any other person to which it has provided a connection in accordance with this Subdivision;
  - (b) ensure that every connection agreement to which it is a party complies with this Subdivision;

- (c) consult with AEMO regarding the system operation and security requirements of proposed connections to the declared transmission system; and
  - (d) use its reasonable endeavours to comply with all reasonable requests of the Connection Applicant relating to its connection requirements.
- (2) The declared transmission system service provider must consult with AEMO in relation to a proposed connection prior to submission of the proposed connection agreement for approval by AEMO.
- (3) If the declared transmission system service provider becomes aware of any material change to any information contained in or relevant to an application to connect then it must promptly notify the Connection Applicant in writing of that change.

**Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

## **269 Obligations of AEMO**

AEMO must:

- (a) review all proposed connections from a system operation and security perspective; and
- (b) establish system operation and security standards and requirements for connections; and
- (c) use its reasonable endeavours to comply with all reasonable requirements of the Connection Applicant and the declared transmission system service provider relating to the commissioning of connection equipment.

## **270 Obligations of Connected Parties**

- (1) Each Connected Party must ensure that all connection equipment owned, operated or controlled by it at all times complies with applicable requirements and conditions for connection in accordance with its connection agreement with the declared transmission system service provider.
- (2) A Connection Applicant must:
  - (a) comply with the reasonable requirements of the declared transmission system service provider in respect of the design requirements of connection equipment proposed to be connected to the declared transmission system;
  - (b) not make any material modification or addition to any connection equipment that is the subject of a connection agreement without the prior



written consent of the declared transmission system service provider and AEMO;

- (c) provide load forecast information to the declared transmission system service provider and AEMO in accordance with rule 271(3); and
  - (d) allow the declared transmission system service provider to participate in the commissioning of connection equipment that is to be connected to the declared transmission system.
- (3) If a Connection Applicant becomes aware of any material change to any information contained in or relevant to an application to connect then it must promptly notify the declared transmission system service provider in writing of that change.

**Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

## **271 Application for new or modified connection**

- (1) A person who wishes to connect or modify a connection to the declared transmission system may make an application in accordance with this rule.
- (2) An application to connect or modify a connection to the declared transmission system must contain the information specified in subrule (3) and must be submitted to the declared transmission system service provider.
- (3) An application to connect or modify a connection must include:
  - (a) details of the location of the new or modified connection point and proposed specifications of the connection equipment;
  - (b) the date by which the proposed connection or modification of the connection is desired;
  - (c) details of the forecast load requirements of the connection point, including maximum daily quantity, maximum hourly quantity and maximum and minimum operating pressures; and
  - (d) such other information as AEMO or the declared transmission system service provider may reasonably request to enable it to assess the application to connect and prepare an offer to connect.

## **272 AEMO to approve application**

- (1) The declared transmission system service provider must submit details of the load requirements of the proposed connection or modification of a connection (including the information referred to in rule 271(3)) to AEMO for approval and

for allocation of any available authorised MDQ to the Connection Applicant in accordance with Division 4, Subdivision 3 as soon as reasonably practicable and in any event within 20 business days of receipt of an application to connect (or within such longer period as the declared transmission system service provider and the Connection Applicant may agree).

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (2) Within 20 business days of receipt of a proposal for a connection or modification of a connection, AEMO must approve or reject the proposal in accordance with principles and procedures in the connection approval procedures and give notice of the approval or rejection to the declared transmission system service provider.
- (3) AEMO may reject a proposed connection or modification of a connection if the proposed connection or modified connection does not meet the requirements specified in the connection approval procedures.
- (4) If AEMO rejects a proposed connection or modification of a connection, AEMO must notify the declared transmission system service provider of its reasons for doing so.
- (5) The declared transmission system service provider and the Connection Applicant must provide AEMO with any information which AEMO may reasonably request to enable it to assess the proposed connection.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (6) AEMO must make Procedures (**connection approval procedures**) for the approval of new or modified connections to the declared transmission system.
- (7) The connection approval procedures must contain the principles and procedures and the system operation and safety, security and reliability requirements used for approving or rejecting a proposed connection referred to in subrule (2).

## **273 Offer to connect**

- (1) Within 20 business days after the proposed connection has been approved in principle by AEMO (or such longer period as the declared transmission system service provider and the Connection Applicant may agree), the declared transmission system service provider must make an offer to connect the Connection Applicant's pipeline or pipeline equipment to the declared transmission system.
- (2) The offer to connect:

- (a) must contain the terms and conditions, as proposed by the declared transmission system service provider, for connection to the declared transmission system; and
- (b) must represent a reasonable attempt on the part of the declared transmission system service provider to meet the Connection Applicant's reasonable requirements including requirements as to the location of the connection point and load requirements; and
- (c) must be consistent with:
  - (i) the declared transmission system service provider's applicable access arrangement; and
  - (ii) the safe, secure and reliable operation of the declared transmission system; and
- (d) must be fair and reasonable.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (3) The offer may be made subject to gaining necessary environmental, planning or other regulatory or statutory approvals.
- (4) The declared transmission system service provider and the Connection Applicant must negotiate in good faith with a view to arriving at a connection agreement acceptable to both parties.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

## **274 Finalisation of connection agreements**

If the Connection Applicant accepts an offer to connect or reaches agreement with the declared transmission system service provider on the terms and conditions of connection, the Connection Applicant must, subject to rule 275, enter into a connection agreement with the declared transmission system service provider.

## **275 Approval of connection agreements by AEMO**

- (1) The declared transmission system service provider must submit each connection agreement which it proposes to enter into with a Connection Applicant, in the form agreed by the declared transmission system service provider and the Connection Applicant, to AEMO within 2 business days after the terms of the

proposed connection agreement have been agreed by the relevant service provider and the Connection Applicant.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (2) The declared transmission system service provider must, at the same time as it submits a connection agreement for approval by AEMO, either:
  - (a) confirm that there has been no material change to the information provided to AEMO pursuant to rule 272 in relation to the proposed connection; or
  - (b) provide AEMO with full details of the load requirements of the proposed connection point to the extent that those requirements differ from the requirements submitted to AEMO pursuant to rule 272 and any other change to the information provided to AEMO pursuant to that rule.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (3) Within 10 business days of receipt by AEMO of a proposed connection agreement pursuant to subrule (1), AEMO must approve the proposed connection agreement or reject the proposed connection agreement.
- (4) AEMO may reject a proposed connection agreement if:
  - (a) in AEMO's reasonable opinion, the proposed connection has potential to adversely and materially affect the safe, secure and reliable operation of the declared transmission system; or
  - (b) it does not comply with, or is inconsistent with, any provision of this Part.
- (5) The declared transmission system service provider and the Connection Applicant must provide AEMO with any information AEMO may reasonably request to enable it to assess the proposed connection agreement.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

## **276 Confidential Information**

Data and information provided by the declared transmission system service provider or a Connection Applicant under this Subdivision is to be prepared and used in good faith and is confidential information.

## **277 Operating agreements for connected facilities**

The owner or operator of a facility that is, or is proposed to be, connected to the declared transmission system must comply with any applicable operating agreement entered into under the *NGL*.

## **Subdivision 2 LNG Storage**

### **278 Obligations of AEMO**

AEMO is responsible for scheduling LNG injection bids.

### **279 Obligations of an LNG storage provider**

- (1) An LNG Storage Provider must ensure that its LNG storage facility is utilised with the objective of maintaining LNG stock at the highest level possible.
- (2) An LNG Storage Provider must operate its LNG storage facility in accordance with scheduling instructions issued by AEMO.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (3) **[Deleted]**
- (4) An LNG Storage Provider must as soon as reasonably practicable after the end of each gas day provide AEMO with the following information in respect of its LNG storage facility:
  - (a) the total quantity of LNG stock at the end of the gas day; and
  - (b) the total quantity of LNG stock held on behalf of Market Participants at the end of that gas day which is available to be bid into the Market.

### **280 Provision of information relating to an LNG storage facility**

- (1) An LNG Storage Provider must, subject to the terms and conditions of a declared LNG supply agreement (where relevant), keep AEMO informed in a timely manner of all matters or circumstances relating to the operation of its LNG storage facility that may affect the ability of AEMO to schedule LNG injection bids or use the LNG reserve.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

## **281 LNG storage capacity**

- (1) **[Deleted]**
- (2) **[Deleted]**
- (3) **[Deleted]**
- (4) **[Deleted]**
- (5) An LNG storage provider must maintain a register of LNG storage capacity, which must include the following information:
  - (a) the identity of each holder of LNG storage capacity;
  - (b) the amount of storage space to which each holder of LNG storage capacity is entitled; and
  - (c) the quantity of LNG stock held on behalf of each holder of LNG storage capacity.

### **Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (6) An LNG Storage Provider must provide the register referred to in subrule (5) to AEMO as soon as reasonably practicable after the end of each gas day.

## **282 [Deleted]**

## **283 [Deleted]**

## **284 Vaporisation of LNG and LNG injection bids**

- (1) Subject to subrule (2), AEMO must schedule LNG injection bids in accordance with the provisions of Division 2, Subdivision 2.
- (2) AEMO must call on LNG injection bids by issuing scheduling instructions directly to an LNG storage provider and, to avoid doubt, AEMO is not required to issue scheduling instructions to Market Participants in respect of their LNG injection bids.

**285**      **[Deleted]**

**286**      **[Deleted]**

### **Subdivision 3      Gas Quality**

#### **287      Gas quality standards**

- (1) AEMO may approve a written agreement that:
  - (a) provides for the injection of gas at a system injection point that does not comply with the standard gas quality specifications; and
  - (b) sets out the quality standard with which that gas must comply.
- (2) The parties to such an agreement must consist of or include:
  - (a) the Registered participant or Registered participants proposing to inject gas that does not comply with the standard gas quality specifications; and
  - (b) Registered participants with whose gas that gas would be commingled; and
  - (c) any provider of gas processing services for the processing of gas, after its injection into the declared transmission system, that does not comply with the standard gas quality specifications.
- (3) AEMO must not approve an agreement under subrule (1) unless satisfied that the injection of gas in accordance with the agreement would not impair the quality of gas transferred at a system withdrawal point from the declared transmission system into a distribution pipeline so that the gas no longer complies with the standard gas quality specifications.
- (4) AEMO may, by notice to the parties to an agreement under subrule (1), revoke the agreement if:
  - (a) a breach of the agreement occurs; or
  - (b) AEMO is satisfied that the injection of the gas in accordance with the agreement has impaired the quality of gas transferred at a system withdrawal point from the declared transmission system into a distribution pipeline so that the gas no longer complies with the standard gas quality specifications.
- (5) AEMO may determine for a particular transmission delivery point a gas quality standard that differs from the standard gas quality specifications if all Registered participants who withdraw gas at that transmission delivery point agree to the determination.

## **288 Gas quality monitoring**

- (1) A gas quality monitoring system must:
  - (a) be provided by the declared transmission system service provider at each system injection point and such other points on the declared transmission system as AEMO may consider necessary or desirable to enable AEMO to monitor the quality of gas injected and withdrawn from the declared transmission system; and
  - (b) be paid for by the declared transmission system service provider, unless otherwise agreed by the declared transmission system service provider and the Connected Party associated with that monitoring point.
- (2) The gas quality monitoring system must be approved by AEMO.
- (3) The gas quality monitoring system must provide for the continuous measurement of gas quality and the continuous transmission of gas quality data in real time to the metering database unless AEMO agrees that, having regard to the characteristics of the particular monitoring point, satisfactory measurement can be achieved by sampling or some means other than continuous measurement.
- (4) The gas quality monitoring system must include the following equipment:
  - (a) a gas chromatograph for determination of gas composition, heating value, relative density and wobbe index;
  - (b) an oxygen analyser for determination of the oxygen content;
  - (c) a sulphur analyser for determination of hydrogen-sulphide and total sulphur; and
  - (d) a water analyser,unless AEMO agrees otherwise, having regard to alternate measuring methods or the characteristics of the particular gas supply.
- (5) The provider of a gas quality monitoring system must ensure that, at its own cost, data from the gas quality monitoring system is transmitted to the metering database in a form and manner compatible with the metering database.
- (6) The provider of the gas quality monitoring system must submit to AEMO for approval a plan to ensure the accuracy and reliability of the gas quality monitoring system. The plan must include:
  - (a) provision for the periodic testing and calibration of the gas quality monitoring system in accordance with standards approved by AEMO;
  - (b) procedures ensuring that the gas quality monitoring system will remain free from interference; and



- (c) provision for the storing of all data relating to the operation and calibration of the gas quality monitoring system.
- (7) The provider of the gas quality monitoring system must provide AEMO and any other affected Participant with all data and information relating to gas quality at the monitoring point, including all test and calibration reports relating to the gas quality monitoring system, on request. The party requesting the information must pay the provider's reasonable costs of providing that information.

**Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

## 289 Off-specification gas

- (1) Each Registered participant must use its reasonable endeavours to ensure that any gas it injects or tenders for injection into the declared transmission system at a system injection point complies with the gas quality specifications for that system injection point.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (2) If AEMO is aware that off-specification gas is being, or is likely to be, or has been injected by a Registered participant at a system injection point, AEMO may refuse to accept delivery or continued delivery of all or some of the off-specification gas for such period as AEMO may determine.
- (3) AEMO must not refuse to accept, on quality grounds, delivery of gas at a system injection point that complies with the gas quality specifications for that system injection point.
- (4) Each Registered participant must notify AEMO as soon as it becomes aware that gas which does not comply with the gas quality specifications is being, or is likely to be, or has been delivered at a system injection point. Any such notification must include all information available to the Registered participant in respect of the off-specification gas, including each aspect of each specification with which it fails to comply, the degree of its failure to comply and the likely time the Registered participant will be able to resume delivery of gas in accordance with the gas quality specifications.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (5) AEMO may accept delivery of off-specification gas if the Registered participant who has injected, is injecting, or is likely to inject the off-specification gas has accurately notified AEMO of all information referred to in subrule (4) that is available to the Registered participant and:
  - (a) the gas complies with requirements for exemption from compliance with the standard gas quality specifications under an applicable legislative or regulatory instrument; or
  - (b) in the reasonable opinion of AEMO:
    - (i) acceptance is necessary to ensure the safety of the public or the safety, security or reliability of the declared transmission system; or
    - (ii) off-specification gas can be co-mingled with other gas in the declared transmission system or processed so that:
      - (A) gas transferred from the declared transmission system to each distribution pipeline at a system withdrawal point will, notwithstanding acceptance of that off-specification gas, comply with the standard gas quality specifications; and
      - (B) gas transferred from the declared transmission system to each Transmission Customer will, notwithstanding acceptance of that off-specification gas, comply with the gas quality standards agreed between AEMO and each Transmission Customer in respect of its transmission delivery point.
- (6) If AEMO accepts or intends to accept any off-specification gas in accordance with subrule (5):
  - (a) it must promptly provide notice accepting that off-specification gas to the Registered participant who has injected, is injecting or is likely to inject off-specification gas at a system injection point; and
  - (b) it must promptly give notice of that fact to each Registered participant who AEMO reasonably believes is likely to be affected by gas that does not comply with the relevant gas quality specifications and, so far as known, the extent to which gas is likely to fail to comply with the relevant gas quality specifications and the likely quantity and duration of the off-specification gas.
- (7) Without limiting a Registered participant's ongoing obligation under subrule (1), a Registered participant will not be in breach of this rule as a result of the delivery of off-specification gas that AEMO has accepted in accordance with subrules (5) and (6).
- (8) This rule is to be read subject to the terms of an agreement in force under rule 287.

## **Subdivision 4      Metering**

### **290      Obligations of Market Participants to establish metering installations**

- (1) A Market Participant must not inject or withdraw gas at a connection point on the declared transmission system unless:
  - (a) the connection point has a metering installation; and
  - (b) the metering installation has been installed in accordance with this Subdivision and is accurate in accordance with rule 298; and
  - (c) the metering installation is registered with AEMO.
- (2) A Market Participant must not, without the express permission of AEMO, inject or withdraw gas at a connection point on the declared transmission system if the metering installation at that connection point does not comply with the provisions or requirements of this Subdivision.
- (3) Before a Market Participant can inject gas at a connection point on a declared distribution system, or withdraw or supply gas for withdrawal at a distribution delivery point from which a tariff D Customer purchases gas from a Retailer the Market Participant must in respect of that connection point or distribution delivery point:
  - (a) ensure that there is a metering installation at that connection point or distribution delivery point; and
  - (b) ensure that metering installation is installed in accordance with this Subdivision and is accurate in accordance with rule 298; and
  - (c) register that metering installation with AEMO.
- (4) A Market Participant must not, without the express permission of AEMO, inject gas into a connection point on a declared distribution system, or withdraw or supply gas for withdrawal at a distribution delivery point if the metering installation at that connection point or delivery point does not comply with the provisions of this Subdivision.
- (5) A Market Participant must have in force an agreement with a responsible person under which that Market Participant contributes to its proportionate share of the costs incurred by that responsible person in measuring and testing gas at all metering installations for which the responsible person is responsible and at which the Market Participant has gas injected or withdrawn. AEMO may provide to a responsible person for use in calculating a Market Participant's proportionate share of costs, any statement submitted to it by an Allocation Agent under rule 229 or 230.
- (6) In subrule (5), and subject to any agreement to the contrary:

- (a) **proportionate share** means a share calculated having regard to the actual quantity of gas injected or withdrawn at the metering installation by that Market Participant against the total quantity of gas injected or withdrawn at that metering installation in any particular billing period; and
- (b) **costs** means the total costs incurred by the responsible person in operating and maintaining the metering installation and gas quality monitoring system.

**Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

## **291 Obligations of declared transmission system Service Providers to establish metering installations**

- (1) The declared transmission system service provider must not withdraw gas at a connection point on the declared transmission system delivering operational gas unless:
  - (a) the connection point has a metering installation;
  - (b) the metering installation has been installed in accordance with this Subdivision and is accurate in accordance with rule 298; and
  - (c) the metering installation is registered with AEMO.
- (2) The declared transmission system service provider must not, without the express permission of AEMO, withdraw gas at a connection point on the declared transmission system delivering operational gas if the metering installation at that connection point does not comply with the provisions or requirements of this Subdivision.

**Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

## **292 Responsibility for metering installation**

- (1) The person who is responsible for providing a metering installation is the responsible person.
- (2) Subject to subrule (4), the responsible person for a metering installation:
  - (a) if the metering installation is situated at a receipt point on the declared transmission system - is the declared transmission system service provider associated with that receipt point, unless otherwise agreed between that

- declared transmission system service provider and the Producer or the Storage Provider associated with that receipt point;
- (b) if the metering installation is situated at a transfer point between the declared transmission system and another transmission pipeline - is the declared transmission system service provider, unless otherwise agreed between the declared transmission system service provider and the interconnected transmission pipeline service provider associated with that transfer point;
  - (c) if the metering installation is situated at a transfer point between the declared transmission system and a distribution pipeline - is the declared transmission system service provider associated with that transfer point unless otherwise agreed between that declared transmission system service provider and the Distributor associated with that transfer point;
  - (d) if the metering installation is situated at a transmission delivery point at which a Transmission Customer is connected - is the declared transmission system service provider associated with that transmission delivery point, unless otherwise agreed between the declared transmission system service provider and that Transmission Customer;
  - (e) if the metering installation is situated at a distribution delivery point at which a Market Customer or a Customer who is buying gas from a Retailer other than the Customer's local area retailer (as defined in the National Energy Retail Law) is connected - is the Distributor associated with that distribution delivery point, unless otherwise agreed by that Distributor and the relevant Market Participant;
  - (f) if the metering installation is situated at a receipt point on a declared distribution system - is the Distributor associated with that receipt point, unless otherwise agreed between the Distributor and the Producer or the Storage Provider associated with that receipt point;
  - (g) if the metering installation is situated at a connection point between declared distribution systems of different Distributors - is the Distributor associated with the distribution system from which the greater quantity of gas flows into the other distribution system unless otherwise agreed between the relevant Distributors.
- (3) The agreement of the relevant Registered participants under this rule must not be unreasonably withheld.
  - (4) A person who is not a Registered participant may only be the responsible person for a metering installation if it agrees with AEMO to be bound by this Subdivision and such other provisions of this Part as AEMO may require on such terms as AEMO may reasonably require.
  - (5) Where agreement is reached under subrule (2), the person who would otherwise be the responsible person must immediately advise AEMO of that agreement.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (6) Subject to subrule (7) and any agreement between the responsible person and an affected Participant, costs associated with a metering installation are to be borne by the responsible person.
- (7) Subject to any agreement to the contrary, the reasonable costs associated with new metering installations, modifications to existing metering installations, or decommissioning of metering installations are to be borne by the affected Participant to the extent that those costs arise from new, increased or reduced gas demand of, or supply to, that affected Participant.

## **293 Other responsibilities of a responsible person**

The responsible person must:

- (a) ensure that its metering installations are provided, installed and maintained in accordance with this Subdivision and all applicable laws; and
- (b) ensure that the accuracy of each of its metering installations complies with the requirements of rule 298; and
- (c) ensure that each of its metering installations is calibrated in accordance with rule 299; and
- (d) if AEMO requires, arrange for the provision of remote monitoring facilities to alert AEMO or the responsible person of any failure of any components of the metering installation which might affect the accuracy of the metering data derived from that metering installation and, in the case of a facility that alerts the responsible person rather than AEMO, the responsible person must notify AEMO as soon as possible after the responsible person becomes aware of the failure; and
- (e) provide to AEMO the information specified in the metering register procedures for each of its metering installations.

**Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

## **294 Additional metering**

- (1) Any affected Participant may at its own cost provide additional meters or similar equipment at or near a connection point on the declared transmission system or a distribution delivery point in addition to the metering installation provided by the responsible person at that connection point or distribution delivery point for the

purposes of checking the metering data obtained from that metering installation or for any other purposes.

(2) The equipment:

- (a) must not cause any Registered participant to breach any of the requirements of this Part; and
- (b) must comply with all applicable laws; and
- (c) must not interfere with that metering installation or affect in any way the integrity or accuracy of the metering data provided by the metering installation.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

## **295 Metering installation components**

A metering installation must:

- (a) be accurate in accordance with the Procedures; and
- (b) have facilities to enable metering data to be transmitted or otherwise collected from the metering installation and delivered to the metering database, and be capable of communication with the metering database, as required and in accordance with rule 308; and
- (c) contain a device that has a visible display of metering data or allows the metering data to be accessed and read at the same time by portable computer or other equipment of a type or specification reasonably acceptable to all persons who are entitled to have access to that metering data in accordance with rule 312(1); and
- (d) be secure in accordance with rule 300; and
- (e) have electronic data recording facilities such that all metering data can be measured and recorded in hourly intervals with a time stamp being applied for each hourly interval; and
- (f) be capable of separately registering and recording flows in each direction where bi-directional gas flows occur; and
- (g) have a meter having an internal or external data logger capable of storing the metering data for at least:
  - (i) 35 days, if the metering installation enables AEMO to obtain remote access in accordance with rule 308; or

- (ii) 70 days, if the metering installation does not enable remote access by AEMO in accordance with rule 308.

**Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

## **296 Location of metering point**

The responsible person must ensure that the metering installation is located as close as practicable to the connection point or distribution delivery point in relation to which the metering installation is being provided (taking into account, amongst other things, the cost of installation and security).

**Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

## **297 Procedures**

AEMO must make Procedures (**metering uncertainty limits and calibration requirements procedures**) in relation to metering uncertainty limits and calibration requirements for metering installations.

## **298 Meter accuracy**

- (1) A metering installation at a transmission delivery point must satisfy the uncertainty limits in the metering uncertainty limits and calibration requirements procedures over its entire range of flow rates.
- (2) A metering installation at a distribution delivery point must satisfy the uncertainty limits set out in a declared metering requirement over its entire range of flow rates.

## **299 Calibration of metering installations**

- (1) This rule applies only to metering installations at system points.
- (2) The responsible person must procure that its metering installations are calibrated in accordance with the requirements contained in the metering uncertainty limits and calibration requirements procedures.
- (3) AEMO must review the calibration requirements contained in the metering uncertainty limits and calibration requirements procedures at intervals not exceeding one year.



- (4) The responsible person must establish calibration procedures in respect of each of its metering installations. The calibration procedures must comply with requirements that AEMO may from time to time determine.
- (5) AEMO may check calibration results recorded in respect of any metering installation and arrange for testing of metering installations in order to satisfy itself that the accuracy of each metering installation conforms with the requirements of this Subdivision or to determine the consistency between the data held in the metering database and metering data held in a metering installation.
- (6) The responsible person must make available the results of all tests in respect of its metering installations to AEMO and all affected Participants as soon as practicable after they have been completed.
- (7) If there is an inconsistency between the data held in a metering installation and the data held in the metering database, the data in the metering installation is to be taken as prima facie evidence of the energy data derived from that metering installation.
- (8) The responsible person must permit AEMO and any affected Participant to have a representative present to observe the calibration of its metering installations and any consequential adjustments.
- (9) The responsible person must give AEMO and all affected Participants at least 14 days' written notice, or such shorter notice as may be agreed by AEMO and all affected Participants, of the proposed hours and date or dates on which a metering installation is to be calibrated and the nature of the calibration to be undertaken.
- (10) Each affected Participant who wishes to have a representative present to observe a calibration of a metering installation must give written notice to the responsible person of its intention to have a representative present not less than 7 days prior to the date on which that calibration is to be undertaken as specified in the notice referred to in subrule (9). The responsible person and all affected Participants who wish to have a representative present must use all reasonable endeavours to agree upon the time and date at which the calibration will take place and, in the absence of agreement, the calibration will take place at the time specified in the notice given by the responsible person pursuant to subrule (9).
- (11) The results of the calibration will be binding on AEMO and all affected Participants irrespective of whether they exercise their rights under subrule (8) to have representatives present.
- (12) AEMO and each affected Participant may, at all reasonable times, by giving reasonable prior notice to the responsible person:
  - (a) inspect the responsible person's metering installation and records in respect of a metering installation; and

- (b) require that the responsible person conduct a calibration of any metering equipment that AEMO or the affected Participant reasonably believes to be inaccurate.
- (13) The cost of any calibration which the responsible person is required to conduct pursuant to subrules (5) or (12) must be borne by the person requiring the calibration if the metering equipment is found to be accurate within the applicable accuracy parameters described in the metering uncertainty limits and calibration requirements procedures and by the responsible person if found to be outside any of those accuracy parameters.
- (14) The responsible person must monitor its metering installations on a regular basis in order to ensure that they are operating properly in accordance with this Subdivision.
- (15) If the responsible person becomes aware that the accuracy of a metering installation does not comply with the requirements of this Subdivision or of any matter which could affect the integrity of the metering data, the responsible person must:
  - (a) notify all affected Participants and AEMO as soon as practicable after it becomes aware of the matter; and
  - (b) arrange for the accuracy of the metering installation to be restored or for the metering installation to be modified or replaced by such time as AEMO may reasonably determine so that the metering installation meets the requirements of this Subdivision.
- (16) The responsible person must within 2 business days after it becomes aware of any matter described in subrule (15) provide a report to AEMO in relation to that matter and, where requested by AEMO, prepare an estimate of the actual quantity of gas transferred through the affected metering installation.
- (17) The responsible person must notify all affected Participants and AEMO if practicable at least 7 days prior to, and in any event 7 days after, any modification, adjustment, repair or replacement of any of its metering installations where the action may have an impact on metering accuracy or integrity and the notice must, if applicable, include a record of the readings of the relevant metering installation at all relevant times.

### **300 Security of metering equipment**

- (1) The responsible person must use reasonable endeavours to protect the metering installation from unauthorised interference both intentional and inadvertent by providing secure housing for metering equipment or otherwise ensuring that security at the metering point is adequate to protect against unauthorised interference.

- (2) If evidence of tampering with a metering installation is found by a Registered participant, the Registered participant must notify all affected Participants of that fact as soon as reasonably possible.
- (3) If a Registered participant finds evidence that the accuracy of the metering of a metering installation might have been affected by any tampering, then the responsible person must test the metering installation to ensure that the metering equipment operates within the applicable accuracy parameters described in the metering uncertainty limits and calibration requirements procedures.
- (4) A Registered participant who interferes with a metering installation without the approval of the responsible person must pay the responsible person its reasonable costs of adjustment, repair, replacement and testing of the metering installation.

**Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

### **301 Security of metering data held in a metering installation**

- (1) The responsible person must ensure that metering data held in a metering installation is protected from local or remote electronic access by suitable security electronic access controls (including, if required by AEMO, passwords).
- (2) The responsible person must keep secure records of electronic access passwords.
- (3) If required by AEMO, the responsible person must allocate 'read-only' passwords for each metering installation to affected Participants and AEMO, except where separate 'read-only' and 'write' passwords are not available, in which case the responsible person must allocate a password to AEMO only.
- (4) The responsible person must hold 'read-only' and 'write' passwords.

**Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

### **302 Changes to metering parameters and settings**

Changes to parameters or settings within a metering installation that may affect the accuracy of metering data must be:

- (a) notified to AEMO by the responsible person at least 2 business days before the change (other than a change made as a result of a calibration carried out pursuant to this Subdivision) is made; and
- (b) confirmed to AEMO by the responsible person within 2 business days after the change has been made; and

- (c) recorded by AEMO in the metering register.

**Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

### 303 Energy metering and measurement

- (1) The responsible person must ensure that the metering installation is capable of determining quantities of gas and where relevant the energy content of gas flowing through the relevant metering point in accordance with this rule.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (2) A metering installation at a connection point on the declared transmission system must be capable of determining the energy content of gas flowing through the metering point unless otherwise agreed by AEMO and the responsible person.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (3) A metering installation at a distribution delivery point must be capable of measuring the volume of gas flowing through the metering point unless AEMO reasonably requires that metering installation also to be capable of determining the energy content of gas flowing through the metering point.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (4) Where a metering installation measures only the volume of gas flowing through the metering point, the energy content of the gas must be determined by calculation within the metering database.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (5) The energy content of gas flowing through a metering point at each metering installation whether calculated within the metering installation or within the metering database must be calculated in accordance with American Gas Association Report no. 7 (measurement of gas by turbine meters), American Gas

Association Report no. 8 (compressibility factors of natural gas and other related hydro-carbon gas) and ISO6976 (calculation of calorific value, density, relative density and wobble index from gas composition) unless the responsible person, the affected Participants and AEMO agree otherwise.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (6) AEMO must make Procedures (**energy calculation procedures**) pursuant to which AEMO and affected Participants are to calculate energy content for meters and metering installations at distribution delivery points.
- (7) Despite Part 15B, AEMO must publish any amended energy calculation procedures not less than 60 business days before they take effect.
- (8) AEMO and affected Participants must calculate the energy content of gas flowing through meters and metering installations at distribution delivery points in accordance with the energy calculation procedures unless the affected Participants and AEMO agree otherwise.
- (9) Where the energy content of gas flowing through a metering point is calculated within a metering installation it must be calculated using heating value and gas composition data collected from the metering installation or, if the data is not available from the metering installation, using data transmitted to the metering installation from the metering database.
- (10) The source of data used for determining the energy content of gas flowing through a metering point at a metering installation (including heating value, gas composition and relative density) must be determined by AEMO, after consultation with the responsible person.
- (11) In determining the appropriate source of data that AEMO must make available to the responsible person to enable the responsible person to calculate the energy content of gas in accordance with this rule, AEMO must have regard to the proximity of the source of the data to the relevant metering installation.
- (12) In determining the heating values to be applied to the calculation of the energy content of gas, AEMO must use reasonable endeavours to ensure that the uncertainty limits specified in the metering uncertainty limits and calibration requirements procedures are satisfied.
- (13) Unless AEMO and the responsible person agree otherwise, data made available by AEMO to the responsible person for the purpose of calculating the energy content of gas flowing through a metering point must be averaged for one hour and applied by the responsible person for the purpose of measuring the energy content of gas flowing through the metering point in the next hour.

- (14) Each metering installation must be capable of recording metering data in hourly intervals.

### **304 Performance of metering installations**

- (1) The responsible person must ensure as far as possible that metering data can be transmitted or otherwise collected and delivered to the metering database from its metering installations:
  - (a) within the applicable accuracy parameters described in the metering uncertainty limits and calibration requirements procedures for metering installations at transmission delivery points, and in any declared metering requirement for metering installations at distribution delivery points;
  - (b) within the time required for settlement, at a level of availability of at least 99% per annum in the case of metering installations (excluding the communication link);
  - (c) within the time required for settlement, at a level of availability of at least 95% per annum in the case of the communication link; and
  - (d) in accordance with the requirements of rule 308,or as otherwise agreed between AEMO and the responsible person.
- (2) If a metering installation malfunction or defect occurs, the responsible person must have repairs made to the metering installation as soon as practicable and in any event within 2 days, unless AEMO otherwise agrees.
- (3) An affected Participant who becomes aware of a metering installation malfunction or other defect must advise AEMO as soon as practicable.

**Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

### **305 Meter Time**

- (1) The responsible person must ensure that all metering installation and data logger clocks are referenced to standard time (as distinct from summer time) in the adoptive jurisdiction.
- (2) The metering database must be set within an accuracy of plus or minus 2 seconds of standard time for a system point other than a transmission delivery point and within an accuracy of plus or minus 5 seconds of standard time for a transmission delivery point and a distribution delivery point.

**Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

### **306 Pulse output facilities**

- (1) Within a reasonable time of being requested by an affected Participant or AEMO, the responsible person must provide pulse outputs representing the quantities of gas measured for use by the affected Participant in controlling its production or consumption of gas or by AEMO for any system operation purpose.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (2) The person requesting the pulse output under subrule (1) must pay the responsible person's reasonable costs relating to the provision of the pulse output.

### **307 Changes to metering data**

The responsible person must not make, and must use reasonable endeavours to ensure that no other person makes, any alteration to the original stored data in a metering installation.

**Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

### **308 Data transfer and collection**

- (1) AEMO must collect metering data from all metering installations from which metering data is required for settlement purposes unless otherwise agreed by AEMO and the affected Participants.
- (2) Each affected Participant must use its reasonable endeavours to ensure that AEMO is given access to, or is provided with, the metering data referred to in subrule (1).

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (3) The responsible person must, at its own cost, ensure that metering data derived from a metering installation for which it is responsible shows the time and date at which it is recorded and is capable of being transmitted or otherwise collected from the metering installation and delivered to the metering database in

accordance with AEMO's reasonable requirements and in accordance with the metering communications procedures.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (4) AEMO must make Procedures (**metering communications procedures**) relating to the transfer of energy data from metering installations to the metering database.
- (5) The responsible person must ensure that each of its metering installations contains such communication equipment as AEMO may reasonably require to:
  - (a) enable metering data to be transmitted to the metering database; and
  - (b) enable AEMO to obtain remote access to the metering data from the metering database,

for the purpose of AEMO's operation of the declared transmission system, for determination of settlement, and for maintaining metering integrity.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (6) The transfer of metering data from the metering installation to the metering database must occur hourly unless otherwise agreed by AEMO and the affected Participants.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

## **309 Installation databases**

- (1) The responsible person must create, maintain and administer an installation database for all its metering installations.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (2) The responsible person must ensure that each affected Participant and AEMO are given access to the information contained in its installation database at all reasonable times and:



- (a) in the case of data 16 months old or less, within 2 business days of receiving written notice from the person seeking access; and
- (b) in the case of data more than 16 months old, within 30 days of receiving written notice from the person seeking access.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (3) AEMO must make Procedures (**installation database procedures**) setting out the information that must be contained in an installation database.
- (4) The responsible person must ensure that the information specified in the installation database procedures is stored in that database:
  - (a) in accessible format for 16 months; and
  - (b) in archive, for 7 years or for the life of the relevant metering installation, whichever is longer.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

### **310 Metering database**

- (1) AEMO must create, maintain and administer a metering database containing information for each metering installation registered with AEMO.
- (2) AEMO may appoint an agent from time to time to create, maintain and administer the metering database.
- (3) AEMO must use its reasonable endeavours to ensure that the metering database is accessible by all affected Participants at all reasonable times and:
  - (a) in the case of data 16 months old or less, within 4 hours of receiving a written request from an affected Participant; and
  - (b) in the case of data more than 16 months old, within 2 business days of receiving a written request from an affected Participant.
- (4) The metering database must include metering data, energy data, energy calculations, gas quality data, data substituted in accordance with this Subdivision or data provided to AEMO for settlement purposes in accordance with the Retail Market Procedures and all calculations made for settlement purposes.
- (5) Data must be stored in the metering database:

- (a) for 16 months in accessible format; and
- (b) for 7 years in archive.

### **311 Register of metering information**

- (1) As part of the metering database, AEMO must maintain a metering register of all metering installations that provide metering data used by AEMO for settlement purposes.
- (2) The metering register referred to in subrule (1) must contain the information specified in metering register procedures.
- (3) If the information in the metering register indicates that a metering installation does not comply with the requirements of this Subdivision:
  - (a) AEMO must advise all affected Participants and the responsible person of that fact; and
  - (b) the responsible person must ensure that the metering installation complies with the requirements of this Subdivision within 2 business days after the date of the notice unless otherwise agreed by AEMO.
- (4) AEMO must make Procedures (**metering register procedures**) in relation to the purpose of, and the information to be included in, a metering register.

### **312 Rights of access to metering data**

- (1) The only persons entitled to have either direct or remote access to metering data from a metering installation, the metering database or the metering register in relation to a metering point are:
  - (a) each Market Participant whose settlement amounts are determined by reference to volumes of gas flowing through that metering point;
  - (b) the responsible person who is responsible for the metering installation at that metering point;
  - (c) the declared transmission system service provider or an interconnected transmission pipeline service provider whose pipeline is connected to the metering installation at that metering point;
  - (d) the Distributor whose pipeline is connected to the metering installations at that metering point;
  - (e) AEMO and its authorised agents; and
  - (f) the Allocation Agent appointed in respect of a system injection point or a system withdrawal point to which that metering point relates.

- (2) Notwithstanding subrule (1), a Transmission Customer is entitled to have either direct or remote access to metering data from a metering installation at a transmission delivery point for that Transmission Customer.
- (3) If the relevant Customer consents, a Retailer is entitled to have access to historical data relating to a Customer who has transferred to that Retailer from another Retailer in relation to the period prior to the date on which that Customer transferred to that Retailer.
- (4) Electronic access to metering data from a metering installation must only be provided where passwords are allocated in accordance with rule 301 and otherwise access to metering data must be from the metering database.
- (5) The responsible person must ensure that access to metering data from the metering installation by persons referred to in subrule (1) is scheduled appropriately to ensure that congestion does not occur.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (6) The responsible person must ensure that all persons referred to in subrule (1) have access to the metering data provided by its metering installations at all reasonable times and on reasonable notice.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (7) If remote access is required under rule 308(5) and is unavailable for a period of 5 consecutive business days, the responsible person must, if requested by any person referred to under subrule (1), at its own cost, obtain readings locally from the metering installation and provide those readings to all persons with rights of access under subrule (1).

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

### **313 Payment for access to metering data**

All reasonable costs (including telecommunications charges) incurred by the responsible person in providing access to metering data at a metering installation or by AEMO in providing access to information in the metering database must be paid by the affected Participant to whom the metering data or information was provided.

### 314 Data validation and substitution

- (1) AEMO is responsible for the validation and substitution of metering data.
- (2) AEMO must make Procedures setting out data validation processes for metering data (**data validation procedures**).
- (3) If AEMO detects a loss of metering data or incorrect metering data from a metering installation, it must notify all affected Participants of the fact and of details of the loss or error detected as soon as reasonably practicable and in any event at the time the next settlement statement is issued in respect of that metering point.
- (4) If:
  - (a) any metering equipment at a metering installation is removed from service; or
  - (b) any metering data is found to be inaccurate or incorrect; or
  - (c) calibration of any meter at a metering installation reveals a measurement error which exceeds the metering substitution threshold applicable to that meter; or
  - (d) calibration of any meter at a metering installation reveals a measurement error which is less than the metering substitution threshold applicable to that meter and, in AEMO's reasonable opinion, an affected Participant would be materially and adversely affected if no substitution was made pursuant to this rule; or
  - (e) metering data is not transmitted or otherwise collected from a metering installation and delivered to the metering database within the time required for settlement,

AEMO must adopt substituted readings in accordance with this rule.

- (5) If substituted readings are required pursuant to subrules (4)(c) or (4)(d) and AEMO is not aware of the time at which the error arose, then the substitution must be made for the period which is the shorter of:
  - (a) the period from the time half-way between the time of the most recent calibration which demonstrated that the meter complied with the requirements of this Subdivision and the time when the error was corrected; and
  - (b) the period commencing on the date 6 months prior to the date on which the error was corrected,

or such other fair and reasonable period determined by AEMO expiring on the date the error was corrected, being a period of less than 6 months.

- (6) If AEMO is required to make substituted readings pursuant to subrule (4), AEMO must:
  - (a) determine the period of substitution (in accordance with subrule (5) if applicable);
  - (b) calculate the substituted readings in accordance with subrule (8);
  - (c) replace all readings derived from the relevant metering equipment during the period of substitution with the substituted readings; and
  - (d) notify all affected Participants as soon as reasonably practicable after the substitution has been completed.
- (7) If an affected Participant disputes a substitution made by AEMO pursuant to this rule, the following provisions apply:
  - (a) the affected Participant must give notice of the dispute and the matters disputed to AEMO;
  - (b) as soon as reasonably practicable after receiving a notice pursuant to paragraph (a), AEMO must give notice of the dispute and the matters disputed to each affected Participant;
  - (c) the affected Participants must use their reasonable endeavours to resolve the dispute and agree the substituted readings; and
  - (d) if the dispute has not been resolved by the affected Participants on or before the second business day prior to the next date on which AEMO is required to issue final statements or revised statements, AEMO must use the substituted readings determined by it pursuant to subrule (6) and the dispute must be resolved pursuant to the dispute resolution processes.
- (8) If substituted readings are required pursuant to this rule, they must be determined in the following order of priority:
  - (a) if and to the extent that the responsible person is able to provide actual readings from the relevant meter for the period of substitution by manually reading the meter, those readings must be used for the purposes of determining the substituted readings;
  - (b) if and to the extent that meter readings are available from another meter provided for the purposes of checking metering data pursuant to rule 294 and that meter complies with the accuracy requirements for the related metering installation, those readings must be used for the purposes of determining the substituted readings; and
  - (c) if and to the extent that meter readings are not available in accordance with paragraphs (a) and (b), AEMO may use any or all of the following methods for providing data for the purposes of determining the substituted readings:

- (i) AEMO may use readings available from any other meter which may reflect the flow of gas through the relevant metering point, whether or not such meter complies with the requirements of this Subdivision;
- (ii) AEMO may use trend data recorded by AEMO, the responsible person or any other affected Participant where, in AEMO's reasonable opinion, such data gives a good approximation of the actual measurement;
- (iii) AEMO may correct the reading which is required to be substituted if the deviation from the accurate reading is ascertainable by calibration or mathematical calculation;
- (iv) AEMO may estimate readings based upon readings from the same meter under similar conditions during a period when the meter was registering accurate readings; or
- (v) AEMO may use any other method that AEMO considers fair and reasonable in the circumstances.

### **315 Confidentiality**

Data provided to AEMO for settlement purposes in accordance with the Retail Market Procedures and all metering data and passwords provided in accordance with this Subdivision are confidential information.

### **316 Use of meters**

- (1) Metering data must be used by AEMO as the primary source of data for settlement purposes or data provided to AEMO for settlement purposes in accordance with the Retail Market Procedures.
- (2) AEMO is not liable to any person in respect of any inaccuracies, discrepancies or other defects in metering data and data provided to AEMO for settlement purposes in accordance with the Retail Market Procedures, including metering data stored in the metering database.
- (3) Where a metering installation is used for providing metering data to AEMO and for other purposes as well (the **extraneous use**), the responsible person must ensure that the extraneous use does not interfere with the provision of metering data in accordance with this Part.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

## **Subdivision 5      Declared distribution system – unaccounted for gas**

### **317      Procedures for dealing with unaccounted for gas**

- (1) AEMO must make Procedures (**Distribution UAFG procedures**):
  - (a) requiring AEMO to calculate gas unaccounted for in a declared distribution system and to determine the payments to be made (and when they are to be made) as between a Retailer and Distributor for that gas; and
  - (b) provide for how the calculation and determination are to be made.
- (2) AEMO must publish its calculations and determinations made under the Distribution UAFG procedures.
- (3) Subject to any agreement to the contrary between a Retailer and Distributor, payments are to be made in accordance with AEMO's determinations.

## **Division 4      Market information and system planning**

### **Subdivision 1      Market information**

#### **318      Provision of information**

- (1) Subject to obligations of confidentiality under the *NGL* and this Part, AEMO must make available to Market Participants on request any information concerning the operation of the market and may charge a fee reflecting the cost of providing that information.
- (2) For the purposes of subrule (1), AEMO must publish, and may amend from time to time, a schedule of information retrieval fees for routine requests.
- (3) AEMO must make available to the public on request information about the market price and, where requested and available, reasons for any significant movements in the market price.

#### **319      Systems and procedures**

- (1) All information that must be provided by Registered participants to AEMO under this Part and information that must be provided by AEMO to Registered participants under this Part must be provided by means of an electronic communication system unless otherwise specified in this Part or approved by AEMO.
- (2) Where information is provided by means of an electronic communication system, that information must be provided by using the templates supplied in the electronic communication system unless otherwise approved by AEMO.

- (3) If possible, information provided to AEMO must be time stamped by AEMO on receipt by AEMO's electronic communication system and if stamped, is deemed to be provided at the time indicated by the time stamp.
- (4) AEMO must make Procedures (**electronic communication procedures**) under which:
  - (a) information must be provided by Registered participants to AEMO;
  - (b) information must be provided by AEMO to Registered participants; and
  - (c) information published on the Market information bulletin board may be accessed by Market Participants.
- (5) Following consultation with Registered participants, AEMO may review and alter the requirements for electronic communication systems from time to time.

### **320 Spot market**

- (1) AEMO must publish operating schedules, pricing schedules, and market prices in accordance with and at the times specified in Division 2, Subdivision 2.
- (2) AEMO must include in each operating schedule the following details for the relevant gas day in respect of the declared transmission system unless otherwise specified below:
  - (a) forecasts of daily demand and hourly demand;
  - (b) forecasts of withdrawals for each hour of the scheduling horizon;
  - (c) forecasts of injections for each hour of the scheduling horizon;
  - (d) details of forecast threats to system security, including the forecast time, location and extent of each the threat;
  - (e) market prices;
  - (f) forecast locational prices for each hour of the gas day;
  - (g) forecast end of day linepack;
  - (h) the linepack which AEMO requires in respect of that gas day; and
  - (i) details of the total quantity of gas scheduled in accordance with withdrawal bids in each system withdrawal zone or other area that AEMO considers appropriate having regard to the commercial sensitivity of information relating to the demand and consumption patterns of Customers and the requirements of rule 324(6).
- (3) By 4:00pm each day, AEMO must publish for each scheduling interval in the previous gas day:



- (a) the aggregate quantity of withdrawals of gas from each system withdrawal zone or other area that AEMO considers appropriate having regard to the commercial sensitivity of information relating to the demand and consumption patterns of Customers and the requirements of rule 324(6); and
- (b) prices and quantities of gas specified in bids; and
- (c) details of the total quantity of gas injected into the declared transmission system at each system injection point; and
- (d) details of operational irregularities including, for example, circumstances evidencing, in AEMO's reasonable opinion, a failure to follow scheduling instructions.

### **321 Information records**

AEMO must retain all information provided to it under this Part for at least 7 years in a form in which the information is reasonably accessible.

### **322 Market audit**

- (1) AEMO must arrange for a Review to be conducted at least annually by a market auditor.
- (2) AEMO must appoint a market auditor who in AEMO's reasonable opinion is independent and suitably qualified to conduct the required Review.
- (3) The Review must examine compliance by AEMO with its procedures and the effectiveness and appropriateness of systems utilised in the operation of the Market, including:
  - (a) the calculations and allocations performed by the metering and settlements systems; and
  - (b) billing and information systems; and
  - (c) the scheduling and pricing processes; and
  - (d) processes for software management; and
  - (e) the linepack account; and
  - (f) AEMO's compliance with this Part.
- (4) AEMO must establish and implement a consultative process that enables Market Participants to provide input into the development of the scope of the Review on an annual basis.
- (5) AEMO must ensure that the market auditor prepares a report in which the results of the Review are set out.

- (6) The report prepared by the market auditor in accordance with subrule (5) must be made available by AEMO to Registered participants on request.
- (7) In this rule:

**Review** means an examination in accordance with the standard (as varied from time to time) for a review specified in Auditing Standard AUS106 (Explanatory Framework for standards on Audit and Audit Related Services) prepared by the Auditing and Assurance Standards Board of the Australian Accounting Research Foundation.

## **Subdivision 2      Forecasts and Planning and Maintenance Reviews**

### **323      Planning reviews**

- (1) By no later than 31 March 2015 and by 31 March in every second year thereafter, AEMO must prepare and publish a planning review in accordance with this rule.
- (2) Each planning review must contain annual forecasts by system withdrawal zone of the matters set out in subrule (3) for each year of the 5 years, and (where practicable) for each month of the 12 months, commencing from 1 January in the year in which the planning review is provided to Registered participants.
- (3) Planning reviews prepared by AEMO must include forecasts for the total system and by system withdrawal zone (except where otherwise specified) in respect of the following matters:
  - (a) peak daily and hourly demands under peak demand conditions for severe weather conditions that would be expected to be exceeded, on average, once in 2 years (**1 in 2 peak demand conditions**), when those peak demands might occur, and an assessment of the impact of demand from gas fired generation on these days;
  - (b) peak daily and hourly demands under peak demand conditions for severe weather conditions that would be expected to be exceeded, on average, once in 20 years (or such other planning criteria as AEMO may determine), and when those peak demands will occur;
  - (c) total annual demand with and without demand from gas fired generation;
  - (d) available and prospective gas supply and the source of that supply;
  - (e) any expansions of, and extensions to, the declared transmission system;
  - (f) declared transmission system capacity for the system as a whole and for major pipelines in the system;
  - (g) the acceptable range of minimum and maximum pressures at such declared transmission system locations as AEMO considers appropriate;

- (h) storage capacities by facility;
  - (i) storage operating parameters including but not limited to injection and withdrawal rates and pressures and the sustainability of those rates and pressures; and
  - (j) mismatches between supply, demand and capacity.
- (4) When preparing a planning review AEMO must:
  - (a) take into account:
    - (i) the information provided by Registered participants under rules 324(2), (3) and (4);
    - (ii) anticipated future growth in the demand for gas in the adoptive jurisdiction; and
    - (iii) committed projects for new or additional gas production facilities or extensions or expansions of a declared transmission system or a distribution pipeline; and
  - (b) subject to rule 324(6), publish the assumptions upon which it bases its planning reviews.
- (5) If AEMO becomes aware of any information that materially alters the most recently published planning review, AEMO must update that planning review as soon as practicable, and provide Registered participants with the details of that update.

## **324 Participant disclosure obligations**

- (1) All Registered participants must provide to AEMO forecasts in respect of the matters set out in subrule (2) as follows:
  - (a) annual forecasts for each year in the 5 year period commencing on each 1 January must be provided to AEMO by 30 September in the immediately preceding year; and
  - (b) monthly forecasts for each month in the 12 month period commencing on each 1 January must be provided to AEMO by 30 September in the immediately preceding year.

### **Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (2) Information supplied by each Registered participant must include forecasts in respect of the following matters, where relevant to the operation or security of the declared transmission system:

- (a) available and prospective supply available to that Registered participant and the source of that supply;
  - (b) storage capacities and inventory available to that Registered participant;
  - (c) gas supply, storage, transmission and distribution projects, including pipeline extensions and expansions;
  - (d) storage operating parameters, including injection and withdrawal rates and pressures and sustainability of those rates and pressures.
- (3) Market Customers and Distributors must include the following additional forecasts, where relevant, with the information provided to AEMO under subrule (2):
- (a) peak daily demand for 1 in 2 peak demand conditions ; and
  - (b) anticipated material constraints on the capacity of the declared distribution system and the location of such constraints, where that constraint may have a material effect on the operation of the declared transmission system.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (4) The declared transmission system service provider, interconnected transmission pipeline service providers, and Storage Providers must include the following additional forecasts, where relevant to the operation or security of the declared transmission system, with the information provided to AEMO under subrule (2):
- (a) the availability of equipment;
  - (b) details of any constraints on the availability of equipment;
  - (c) the time and duration of any proposed maintenance;
  - (d) full details of the proposed maintenance;
  - (e) the longest period likely to be required to recall into operation relevant equipment during the course of maintenance; and
  - (f) operational requirements for maintenance to be performed including:
    - (i) the gas pressure under which the maintenance will be performed;
    - (ii) gas requirements for testing; and
    - (iii) compressor test operations required,

and this additional information must be provided to AEMO in accordance with subrule (1) and also in the form of week-ahead forecasts commencing from

Monday in each week which must be provided to AEMO by no later than the immediately preceding Wednesday.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (5) A Registered participant must notify AEMO as soon as practicable having regard to the nature of the change if it becomes aware of a material change to information previously provided under subrules (2), (3) and (4).

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (6) Information provided to AEMO under this rule is confidential information.
- (7) Registered participants must provide the information required under this rule in good faith and must take all reasonable measures to ensure that the information is accurate.

## **325 Disclosure exemptions**

- (1) AEMO, in its absolute discretion, may exempt a Registered participant from all or any of the disclosure obligations under rules 324(2), (3) and (4).
- (2) AEMO, in its absolute discretion, may require a Registered participant, who has previously been exempted from the disclosure obligations under rules 324(2), (3) and (4), to make all or any of the disclosures required under those rules.

## **326 Maintenance planning**

- (1) AEMO must, having regard to information provided by Registered participants (under rule 324(4) or otherwise), coordinate all maintenance planned by the declared transmission system service provider, interconnected transmission pipeline service providers and Storage Providers to ensure that system security is not threatened as a consequence of the unavailability of equipment undergoing maintenance.
- (2) AEMO must make Procedures (**maintenance planning procedures**) with respect to maintenance including the following:
  - (a) notification of maintenance;
  - (b) requests to carry out maintenance;
  - (c) approval of requests (including conditions of approval);

- (d) initiation of maintenance (including initiation at the request of AEMO);
  - (e) risk assessment and management;
  - (f) information exchange and release (including release of confidential information);
  - (g) timing (including deferral) of maintenance;
  - (h) the types of equipment to be taken off line and brought back on line in the course of maintenance operations and the procedures for taking it off line and bringing it back on line;
  - (i) any other matter contemplated by, or reasonably incidental to, rule 324 or this rule.
- (3) A service provider or Storage Provider that has provided information under rule 324(4), concerning time and duration of proposed maintenance, must act in accordance with those forecasts unless:
- (a) those forecasts are updated in the manner specified in the maintenance planning procedures more than 5 days before that maintenance is due to commence; or
  - (b) if the update is to occur within 5 days of the day on which that maintenance was due to commence, consent to an update has been obtained from AEMO in the manner specified in the maintenance planning procedures.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (4) If AEMO believes that any maintenance proposed by a service provider or Storage Provider will threaten system security, AEMO must notify the service provider or Storage Provider and that service provider or Storage Provider must co-operate with AEMO in good faith to minimise any threat to system security that in AEMO's reasonable opinion would be likely to result from that proposed maintenance.
- (5) AEMO may direct a service provider or Storage Provider to cancel, delay or suspend any maintenance if in AEMO's reasonable opinion:
- (a) the service provider or Storage Provider is conducting or proposing to conduct maintenance in a way that does not minimise threats to system security; and
  - (b) the relevant equipment will not be materially damaged by deferring that maintenance.

- (6) If equipment owned or operated by a service provider or a Storage Provider breaks down or is likely to break down, and the breakdown threatens or could threaten system security, the service provider or Storage Provider:
  - (a) must immediately provide AEMO with full details of:
    - (i) the breakdown or threatened breakdown; and
    - (ii) its proposed response to the breakdown or threatened breakdown; and
  - (b) must co-operate with AEMO in good faith to minimise the threat to system security.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (7) If AEMO becomes aware of defective equipment that could adversely affect system security, AEMO must promptly provide all relevant service providers and Storage Providers with full details of the defect.
- (8) In this rule:

**equipment** means plant or equipment:

- (a) that forms part of a pipeline or a related facility; or
- (b) that is relevant to the safe, secure and reliable operation of a pipeline or related facility,

and includes pipeline equipment.

### Subdivision 3 MDQ Authorisation

#### 327 Agreement for provision of transportation services

- (1) Each Market Participant must ensure that it has in place a valid agreement with the declared transmission system service provider that provides for the payment of transmission charges to the declared transmission system service provider.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (2) AEMO is not liable to pay any such transmission charges.
- (3) An access determination may determine the terms of an agreement that provides for the payment of transmission charges to the declared transmission system

service provider and, if it does so, an agreement under subrule (1) is taken to exist in the terms fixed by the access determination.

### **327A Register of existing authorised MDQ and AMDQ credit certificates**

- (1) AEMO must prepare, maintain and publish a register of:
  - (a) the total amount of authorised MDQ allocated;
  - (b) the aggregate amount of authorised MDQ allocated in respect of withdrawals of gas from tariff V withdrawal points; and
  - (c) the aggregate amount of authorised MDQ allocated to Customers in respect of withdrawals of gas from tariff D withdrawal points.
- (2) AEMO must prepare, maintain and publish a register of:
  - (a) the total amount of AMDQ credit certificates available for allocation at each close proximity injection point; and
  - (b) the aggregate amount of AMDQ credit certificates allocated at each close proximity injection point.

### **328 Information on authorised MDQ**

- (1) AEMO must, on request, inform:
  - (a) each Retailer whose Customers are allocated authorised MDQ of the amount of authorised MDQ allocated to each of its Customers at tariff D withdrawal points;
  - (b) each Market Participant of the amount of authorised MDQ allocated in respect of withdrawals of gas at tariff V withdrawal points;
  - (c) each Market Customer who is allocated authorised MDQ at a tariff D withdrawal point of the amount of the authorised MDQ allocated to that Market Customer; and
  - (d) the declared transmission system service provider or a Retailer who is allocated authorised MDQ in respect of the withdrawal of gas at a system withdrawal point from the declared transmission system into an interconnected transmission pipeline of the amount of authorised MDQ allocated to it.
- (2) A Retailer who sells gas to Customers to whom authorised MDQ is allocated in respect of tariff D withdrawal points must notify each of those Customers of that Customer's authorised MDQ.



**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (3) AEMO must advise a Customer of that Customer's authorised MDQ on request by that Customer.
- (4) Subject to subrules (1), (2) and (3), information relating to authorised MDQ, including the identity of the Customer or person to whom it has been allocated, is confidential information.
- (5) Subject to rule 331, if a Customer changes the Retailer from whom it purchases gas, the Customer's authorised MDQ (if any):
  - (a) remains assigned to that Customer; and
  - (b) is not varied,as a result of the change of Retailer.

**329 Declared transmission system service provider and AEMO to agree increases in capacity from extensions or expansions**

- (1) If the declared transmission system service provider extends or expands, or proposes to extend or expand, its pipeline or pipelines, it must consult with AEMO for the purposes of reaching agreement with AEMO as to the increase in capacity of the relevant pipeline which results from the extension or expansion.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (1A) If an increase in capacity is not agreed under subrule (1), the provisions of Part 15C of the NGR will apply.

**329A Capacity which is available for allocation as AMDQ credit certificates**

- (1) As at the commencement date of the declared transmission system service provider's *access arrangement period*, the AMDQ credit certificates included in the amount recorded in the register under rule 327A(2) (other than those that have been allocated for a period that has not expired as at that date) are available for allocation in accordance with rule 329B.
- (2) During the declared transmission system service provider's *access arrangement period*:

- (a) any increase in capacity of the declared transmission system that is agreed or determined under rule 329 becomes available for allocation as AMDQ credit certificates in accordance with rule 329C when the relevant extension or expansion is commissioned; and
- (b) any AMDQ credit certificates included in the amount recorded in the register under rule 327A(2) that have been allocated for a period that expires during the *access arrangement period* become available for allocation in accordance with rule 329B on their expiry.

**329B Responsibility for allocation of AMDQ credit certificates relating to existing capacity**

- (1) Subject to subrule (2), AEMO is responsible for allocating all AMDQ certificates referred to in rule 329A(1) and 329A(2)(b) in accordance with rule 329G.
- (2) The AER may, following a request by the declared transmission system service provider, determine the amount of capacity associated with any part of the cost of an extension or expansion that is not included in the declared transmission system service provider's opening capital base for the relevant access arrangement period.
- (3) If the AER has made a determination under subrule (2) by the date that is 50 business days before the scheduled commencement date of the relevant *access arrangement period*, then AEMO must allocate that portion of the AMDQ certificates which relate to the amount of capacity determined by the AER in accordance with rule 329E.
- (4) If the AER has not made a determination under subrule (2) by the date that is 50 business days before the scheduled commencement date of the relevant *access arrangement period*, then AEMO must allocate AMDQ credit certificates referred to in rule 329A(1) and 329A(2)(b) under rule 329G.

**329C Responsibility for allocation of additional AMDQ credit certificates relating to new capacity**

- (1) Subject to subrule (2), AEMO is responsible for allocating all additional AMDQ certificates which become available for allocation as a consequence of an extension or expansion undertaken by the declared transmission system service provider during an access arrangement period in accordance with rule 329G.
- (2) If the declared transmission system service provider undertakes an extension or expansion of the declared transmission system during an *access arrangement period* and less than 100% of the cost of the extension or expansion is approved capex, then when the extension or expansion is commissioned:
  - (a) AEMO is responsible for allocating that portion of the additional AMDQ credit certificates made available as a consequence of the extension or expansion the costs of which are approved capex in accordance with rule 329G; and

- (b) if the AER has made a determination under subrule (4), AEMO is responsible for allocating the remaining portion of the additional AMDQ credit certificates in accordance with rule 329E.
- (3) If the AER has not made a determination under subrule (4) then AEMO is responsible for allocating all additional AMDQ credit certificates in accordance with rule 329G.
- (4) The AER may, following a request by the declared transmission system service provider, determine the amount of additional capacity associated with any part of the cost of an extension or expansion undertaken during the *access arrangement period* that is not approved capex.
- (5) If the AER has made a determination under subrule (2) by the date on which the relevant extension or expansion is commissioned, AEMO must allocate that portion of the AMDQ credit certificates referred to in rule 329A(2)(a) which relate to the amount of capacity determined by the AER in accordance with rule 329E.
- (6) If the AER has not made a determination under subrule (2) by the date on which the relevant extension or expansion is commissioned, AEMO must allocate all additional AMDQ credit certificates which become available for allocation as a consequence of that extension or expansion are to be allocated by AEMO in accordance with rule 329G.

### **329D Amendment of service envelope agreement**

- (1) If additional AMDQ credit certificates are available for allocation under rule 329C, AEMO and the declared transmission system service provider must amend the service envelope agreement as soon as practicable to reflect that additional capacity of the relevant pipeline which results from the extension or expansion.
- (2) AEMO is not required to allocate the additional AMDQ credit certificates available for allocation under rule 329C unless and until the service envelope agreement has been amended to reflect the additional capacity of the relevant pipeline which results from the extension or expansion.

### **329E Allocation of AMDQ credit certificates at direction of declared transmission system service provider**

- (1) Subject to subrule (2), when AMDQ credit certificates are to be allocated under rule 329B(2) or 329C(2)(b), AEMO must allocate the quantity in the AMDQ credit certificates made available by the relevant extension or expansion:
  - (a) to such Market Participants; and
  - (b) for use at close proximity injection points; and
  - (c) for such period,

as the declared transmission system service provider directs.

- (2) Subject to its access arrangement, the declared transmission system service provider may determine the method it will use to determine the direction it will give AEMO to allocate AMDQ credit certificates under rule 329B(2) or 329C(2)(b).
- (3) Where a quantity in AMDQ credit certificates is to be allocated to a Market Participant under subrule (1) in respect of injections of gas at a close proximity injection point, AEMO must only make such an allocation to the Market Participant:
  - (a) where the Market Participant requests the allocation; and
  - (b) subject to any conditions that AEMO reasonably determines and agrees with the declared transmission system service provider.

### **329F AEMO re-allocations of authorised MDQ**

- (1) If a tariff V withdrawal point becomes designated as a tariff D withdrawal point, then AEMO must allocate authorised MDQ to the Customer who withdraws gas at that tariff D withdrawal point in a manner which, in AEMO's reasonable opinion, is fair and equitable, and AEMO must make a proportionate reduction to the total amount of authorised MDQ assigned to tariff V withdrawal points.
- (2) If a tariff D withdrawal point becomes designated as a tariff V withdrawal point, then AEMO must reallocate any authorised MDQ remaining allocated to that withdrawal point by making a proportionate increase to the total amount of authorised MDQ assigned to tariff V withdrawal points.
- (3) AEMO must allocate authorised MDQ relinquished under rule 332(1) as follows:
  - (a) if sufficient authorised MDQ are available to satisfy the requirements of all persons who have requested an allocation of authorised MDQ, AEMO must allocate the available authorised MDQ to each of those persons in respect of a delivery point or system withdrawal point at which each of those persons withdraws or proposes to withdraw gas, in accordance with their requirements; and
  - (b) if insufficient authorised MDQ are available to satisfy the requirements of all persons who have requested an allocation of authorised MDQ, AEMO must, on not less than 20 business days' notice, conduct an auction amongst all persons from whom AEMO has received requests for authorised MDQ and allocate the available authorised MDQ to the persons who offer the highest amount for that authorised MDQ in accordance with the Authorised MDQ auction procedures.
- (4) Allocation of authorised MDQ made in accordance with subrule (3) is effective only in respect of a delivery point or system withdrawal point at which the person applied to AEMO for the allocation of authorised MDQ.

- (5) AEMO must make Procedures (**Authorised MDQ auction procedures**) pursuant to which it will allocate available authorised MDQ under subrule (3)(b).

### **329G AEMO allocations of AMDQ credit certificates**

- (1) If AEMO is responsible for allocating AMDQ credit certificates under rule 329B(1), 329C(1) or 329C(2)(a), then AEMO must allocate AMDQ credit certificates in accordance with this rule 329G.
- (2) AMDQ credit certificates available for allocation under:
  - (a) subrule 329A(1) must be for a period that commences no earlier than the start of the declared transmission system service provider's *access arrangement period* and ends on the revision commencement date specified in the access arrangement for that period;
  - (b) subrule 329A(2)(a) must be for a period that commences no earlier than the date on which the relevant extension or expansion is commissioned and ends on the later of the revision commencement date specified in the access arrangement for that period and the day that is immediately prior to the start of the next *access arrangement period*; and
  - (c) subrule 329A(2)(b) must be for a period that commences no earlier than the date of allocation and ends on the later of the revision commencement date specified in the access arrangement for that period and the day that is immediately prior to the start of the next *access arrangement period*.
- (3) AEMO must allocate AMDQ credit certificates on the basis of an auction:
  - (a) conducted in accordance with the AMDQ credit certificates auction procedures;
  - (b) conducted on no less than 20 business days' notice; and
  - (c) under which the available AMDQ credit certificates are allocated to the persons who offer the highest amount for those AMDQ credit certificates.
- (4) Allocation of AMDQ credit certificates made in accordance with subrule (1) is effective only in respect of a close proximity injection point at which the person offered to acquire AMDQ credit certificates.
- (5) AEMO must make Procedures (**AMDQ credit certificates auction procedures**) pursuant to which it will allocate available AMDQ credit certificates under subrule (1).

**330 Proceeds of AEMO auctions of Authorised MDQ or AMDQ credit certificates**

- (1) AEMO must use the proceeds of any auction of authorised MDQ under rule 329F or any auction of AMDQ credit certificates under rule 329G to offset its costs of operating the declared wholesale gas market.

**331 Transfer of authorised MDQ or AMDQ credit certificates**

- (1) AEMO must make Procedures (**AMDQ transfer procedures**) for the transfer of authorised MDQ or AMDQ credit certificates between parties in accordance with this rule.
- (2) A person that has acquired authorised MDQ or AMDQ credit certificates in accordance with this Subdivision may transfer the whole or a part of that authorised MDQ or AMDQ credit certificates to another person in accordance with this rule and subject to the AMDQ transfer procedures.

**332 Relinquishment of authorised MDQ or AMDQ credit certificate**

- (1) If a person holds authorised MDQ in accordance with this Part and ceases to be a Registered participant, or in the case of a Customer, is disconnected from the declared transmission system or a declared distribution system, that person's entitlement to the authorised MDQ will revert to AEMO for reallocation to other persons in accordance with rule 329F unless that person transfers that authorised MDQ in accordance with rule 331.
- (2) If a person holds AMDQ credit certificates:(a)allocated under this Division; or(b)originally allocated under this Division and transferred in accordance with rule 331,and ceases to be a Registered participant, that person's entitlement to the AMDQ credit certificates will revert to AEMO unless:.
  - (c) that person transfers the AMDQ credit certificates in accordance with rule 331; or
  - (d) the relevant AMDQ credit certificates were allocated pursuant to a direction by the declared transmission system service provider under rule 329E, in which case the AMDQ credit certificates will revert to the declared transmission system service provider.

**Division 5 Intervention and market suspension**

**Subdivision 1 Emergencies**

**333 Emergency**

- (1) An emergency occurs when:

- (a) AEMO reasonably believes there to be a situation which may threaten:
    - (i) reliability of gas supply; or
    - (ii) system security or the security of a declared distribution system; or
    - (iii) public safety,and AEMO in its absolute discretion considers that the situation is an emergency and declares there to be an emergency; or
  - (b) AEMO declares there to be an emergency at the direction of a government authority authorised to give such directions.
- (2) A Registered participant must notify AEMO as soon as practicable of:
- (a) any event or situation of which the Registered participant becomes aware where, in the reasonable opinion of the Registered participant, that event or situation is of a kind described in subrule (1)(a); and
  - (b) any action taken by the Registered participant under its safety plan and safety procedures or otherwise in response to that event or situation.

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (3) AEMO may specify a process for communicating to Registered participants the existence of an emergency and all relevant information relating to the emergency.
- (4) Subject to subrule (1)(b), the existence of an emergency under subrule (1)(a) will be determined by AEMO in its absolute discretion, irrespective of the cause of the emergency, and whether AEMO or any other person has caused or contributed to the emergency.
- (5) Each Registered participant must use its best endeavours to ensure that its safety plan (if any) permits it to comply with emergency directions.
- (6) An emergency will continue until such time as AEMO determines that the emergency has ended.
- (7) When an emergency has ended in accordance with subrule (6), AEMO must notify all Registered participants that the emergency has ended.

## **Subdivision 2      Emergency Planning by Participants**

### **334      Participant emergency contacts**

- (1) Each Registered participant must provide AEMO with:
  - (a) a single telephone number and facsimile number at which a representative of the Registered participant is contactable by AEMO, 24 hours a day; and
  - (b) the name and title of the Registered participant's representative who is contactable at those numbers.
- (2) The representative of each Registered participant must be a person having appropriate authority and responsibility within the Registered participant's organisation to act as the primary contact for AEMO in the event of an emergency.
- (3) Each Registered participant must immediately notify AEMO of a change to the details required under subrule (1) and where possible in advance.

**Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

### **335      Participant safety procedures**

- (1) To the extent that:
  - (a) a Registered participant is not required to have its own safety plan; or
  - (b) a Registered participant's safety plan does not provide for the Registered participant to respond to all events and situations included in rule 333(1),

that Registered participant must establish and maintain its own internal safety procedures necessary to enable it and, where relevant, its Customers to comply with emergency directions and this Division.

- (2) Each Registered participant must ensure that the safety procedures it establishes under subrule (1) are consistent with the emergency protocol and its safety plan (if any).

**Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.



### **336 Emergency procedures awareness**

- (1) Each Registered participant must at all times ensure that all of its relevant officers and staff and, where relevant, its Customers, are familiar with the emergency protocol and the Registered participant's safety plan or safety procedures.
- (2) For the purposes of subrule (1), relevant officers and staff are those whose functions or areas of responsibility are such that they are likely to be required to make *decisions* or take action in an emergency.

### **Subdivision 3 Emergency curtailment of Customers**

#### **337 Distribution Customers - curtailment information**

- (1) Subject always to the requirement that a Distributor must use its best endeavours to provide information to AEMO under this rule in a way that does not reveal the identity of a Customer, each Distributor must provide information to AEMO in accordance with subrule (2), for each transfer point relating to that Distributor's distribution pipelines, by no later than 28 February in each year.
- (2) Unless otherwise agreed by AEMO, the information provided to AEMO under subrule (1) must set out for each transfer point referred to in subrule (1):
  - (a) the system withdrawal zone in which that transfer point is located; and
  - (b) the name and address of the Distributor on whose distribution pipeline that transfer point is located; and
  - (c) a single telephone number and facsimile number at which one or more representatives of the Distributor having appropriate authority and responsibility within the Distributor's organisation to act as the primary contact for AEMO in the event of an emergency are contactable by AEMO 24 hours a day, and the name and title of those representatives of the Distributor who are contactable at those numbers; and
  - (d) the number of Distribution Customers which withdraw gas from any distribution delivery point on the Distributor's distribution pipelines after that gas has passed through each of those transfer points; and
  - (e) the aggregate size of demand of all Distribution Customers represented by that transfer point; and
  - (f) the type of demand of all Distribution Customers represented by that transfer point; and
  - (g) the time it would take to implement curtailment in respect of the Distribution Customers represented by that transfer point.
- (3) Each Distributor must immediately notify AEMO of a change to the details required under subrule (2) and where possible in advance.

**Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

**338 Transmission Customers - curtailment information**

- (1) By no later than 28 February in each year, each Transmission Customer must provide to AEMO the information set out in subrule (2) and if that Transmission Customer is not a Market Customer, then the Transmission Customer must arrange for the Retailer from whom it purchases gas to provide that information on its behalf.
- (2) The information to be provided to AEMO under subrule (1) must set out:
  - (a) the name and address of the Transmission Customer; and
  - (b) a single telephone number and facsimile number at which a representative of the Transmission Customer is contactable by AEMO, 24 hours a day; and
  - (c) the name and title of the Transmission Customer's representative who is contactable at those numbers and is a person having appropriate authority and responsibility within the Transmission Customer's organisation to act as the primary contact for AEMO in the event of an emergency; and
  - (d) the system withdrawal zone in which that transmission delivery point is located; and
  - (e) the maximum daily and hourly quantity of the Transmission Customer; and
  - (f) the type of demand of the Transmission Customer; and
  - (g) the time it would take to implement curtailment in respect of that Transmission Customer; and
  - (h) the minimum required pressure at the transmission delivery point.
- (3) The person responsible for providing the information to AEMO under subrule (1) must immediately notify AEMO of a change to the details required under subrule (2) and where possible in advance.

**Note:**

This rule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

## **Subdivision 4      Response to an emergency**

### **339      Declarations and directions in an emergency**

- (1) When an emergency arises, AEMO must:
  - (a) liaise with any jurisdictional safety body as required by applicable regulatory instruments or as directed by a government authority; and
  - (b) inform Registered participants, as soon as reasonably practicable, of the commencement, nature, extent and expected duration of the emergency and the way in which AEMO reasonably anticipates it will act in response to the emergency; and
  - (c) keep Registered participants informed of any material changes in the nature, extent and expected duration of an emergency.
- (2) Upon being informed of an emergency, each Registered participant must advise all relevant officers and staff (as defined in rule 336(2)) and, where relevant, its Customers, of the existence and nature of the emergency.
- (3) During an emergency, each Registered participant must comply with its safety plan (if any) and safety procedures (if any).

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (4) A Registered participant must use its reasonable endeavours to ensure that, during an emergency, its Customers act in a manner that enables that Registered participant to comply with all its obligations under this Division.

## **Subdivision 5      System security threat**

### **340      Non-firm gas**

- (1) Gas is described as **non-firm gas** if it may be available for injection, but its availability cannot be guaranteed.
- (2) Non-firm gas may include:
  - (a) gas that will only be available through use of a Producer's or Storage Provider's peak, or near peak, production and technical operational capacity; or
  - (b) gas available from an interconnected transmission pipeline service provider's peak, or near peak capacity; or

- (c) gas subject to a supply contract that may not be required for delivery under that contract on the gas day, or for part of the gas day; or
- (d) gas subject to a supply contract, in relation to which the supply contract offers some flexibility for managing delivery so that supplies could be made available to the market on restricted terms on the gas day.

### **341 Notice of threat to system security**

- (1) If AEMO believes that a threat to system security is indicated by:
  - (a) the planning reviews prepared by AEMO under Division 4, Subdivision 2; or
  - (b) an operating schedule; or
  - (c) any other fact or circumstance of which AEMO becomes aware,then it must provide to Registered participants without delay details of that threat to system security including AEMO's estimate of:
  - (d) the nature and magnitude of the threat to system security, including an estimate of the likely duration of the threat to system security and the likely shortfall in gas supplies likely to occur during that period; and
  - (e) whether AEMO will need to intervene in the market to avert the threat and, if so, the time by which intervention will be required if the threat has not subsided; and
  - (f) the system withdrawal zones within the declared transmission system in which the threat to system security is likely to be located.
- (2) If AEMO provides Registered participants with details under subrule (1) regarding a threat to system security, AEMO may issue a notice requiring each Registered participant to provide to AEMO the Registered participant's best estimates of the following:
  - (a) whether the Registered participant is in a position to make additional injections or withdrawals of gas and whether the Registered participant would need to reschedule maintenance or other work in order to do so;
  - (b) whether the Registered participant is in a position to inject non-firm gas into the declared transmission system;
  - (c) whether the Registered participant is in a position to inject off-specification gas into the declared transmission system;
  - (d) the period of notice the Registered participant would require before making additional injections and withdrawals under paragraphs (a), (b) and (c);
  - (e) the costs the Registered participant would incur in facilitating or implementing an injection or withdrawal under paragraphs (a), (b) and (c).

- (3) A Registered participant must not unreasonably withhold information required by AEMO under a notice under subrule (2) and must provide AEMO with that information as soon as practicable after it has received a notice from AEMO under subrule (2).

**Note:**

This subrule is classified as a conduct provision under the National Gas (Victoria) (Declared System Provisions) Regulations. See clause 4 and Schedule 2 of the National Gas (Victoria) (Declared System Provisions) Regulations.

- (4) AEMO must treat all information provided to it by a Registered participant under subrule (2) as confidential information and may only use that information for the purpose of maintaining or re-establishing system security by taking the action referred to in rules 342 and 343.
- (5) AEMO must inform Registered participants immediately when it reasonably considers a threat to system security to be at an end.

### **342 Market response to threat to system security**

If AEMO reasonably considers that a threat to system security will subside without intervention, AEMO must:

- (a) if it has not already done so, provide Registered participants with the information set out under rule 341(1); and
- (b) advise those Registered participants that AEMO considers would be required to take or refrain from action if the threat to system security is not resolved without intervention, including Market Participants whose bids are likely to be scheduled in accordance with an operating schedule, of the following information:
  - (i) the existence of the threat to system security; and
  - (ii) the likely nature of any requirement of AEMO if AEMO determines that it should intervene; and
- (c) keep all Registered participants informed with up-to-date information about the threat to system security and measures taken to avert the threat.

### **343 Intervention due to system security threat**

- (1) If AEMO reasonably considers that a threat to system security is unlikely to subside without intervention, AEMO must intervene in the Market by taking any measures it believes are reasonable and necessary to overcome the threat to system security, including (without limitation) injecting gas from AEMO's LNG reserve or making the following directions under section 91BC of the *NGL*:
  - (a) curtailment in accordance with the emergency curtailment list, subject to subrule (2);

- (b) increasing withdrawals;
  - (c) requiring Registered participants to use reasonable endeavours to inject gas which is available and to which the Registered participant is entitled, but which has not been bid into the market on the relevant gas day or which is non-firm gas, recognising in the case of non-firm gas the uncertainties associated with the supply and injection of that gas;
  - (d) requiring any Registered participant to inject off-specification gas into the declared transmission system;
  - (e) requiring Registered participants to do any reasonable act or thing that AEMO believes necessary in the circumstances.
- (2) If a threat to system security is attributable to a transmission constraint then to the extent practicable, AEMO must, prior to curtailing any other Customers, use reasonable endeavours to curtail those Customers who, in AEMO's reasonable opinion, are using more than the authorised MDQ or quantities in AMDQ credit certificates assigned to those Customers.
  - (3) A demand forecast override by AEMO is not an intervention.
  - (4) Registered participants must comply with all requests and directions issued by AEMO under this Subdivision.

### **344 Participant Claims in respect of intervention**

- (1) If AEMO intervenes under rule 343 to require a Registered participant to inject gas into the declared transmission system, the Registered participant may claim compensation under rule 237 if it incurs a loss (beyond the value of the gas injected and the transmission charges) as a direct result of injecting the gas.
- (2) If AEMO intervenes under rule 343 to require a Registered participant who is not a Market Participant to inject gas into the declared transmission system, the Registered participant:
  - (a) must be paid for the gas at the applicable market price as if the Registered participant were a Market Participant; and
  - (b) must pay to the declared transmission system service provider the tariff determined under the service provider's applicable access arrangement.
- (3) The declared transmission system service provider must invoice the Registered participant for transmission charges payable under subrule (2)(b) and allow a reasonable time for payment.

## **Subdivision 6      Market suspension**

**345      [Deleted]**

**346      [Deleted]**

### **347      Conditions for suspension of the market**

- (1) Subject to subrule (2), AEMO may declare the Market to be suspended when:
  - (a) **[Deleted]**
  - (b) an emergency occurs; or
  - (c) AEMO has been directed by a government authority to suspend the Market or operate all or part of the declared transmission system in a manner contrary to the provisions of this Part; or
  - (d) AEMO determines that it is necessary to suspend the Market because it has become impossible to operate the Market in accordance with the provisions of this Part.
- (2) AEMO must not suspend the Market solely because:
  - (a) market price has reached VoLL; or
  - (b) AEMO has issued an emergency direction; or
  - (c) AEMO has intervened in the Market because of a threat to system security under Subdivision 5.

### **348      Declaration of market suspension**

- (1) If the Market is suspended, AEMO must notify all Registered participants of the suspension without delay.
- (2) The suspension takes effect at a time fixed in the declaration (but the declaration cannot operate retrospectively).
- (3) A Market suspension continues until AEMO makes a declaration fixing a time for the resumption of market operation and notifies all Registered participants of the time so fixed.

### **349      Effect of market suspension**

- (1) If AEMO declares the market to be suspended:
  - (a) AEMO may determine prices that are to be regarded as market prices for gas during the period of suspension; and

- (b) AEMO may determine a process for the submission of information by Market Participants and the scheduling of gas injections and withdrawals to apply during the period of suspension.
- (2) In determining prices under subrule (1)(a), AEMO:
  - (a) must act in accordance with rule 221 if and to the extent AEMO considers it reasonably practicable to do so; and
  - (b) to the extent AEMO considers it impracticable to act in accordance with rule 221 – must act on any other basis that AEMO considers relevant and reasonable in the circumstances; and
  - (c) must not determine a price that exceeds the administered price cap.
- (3) A process determined by AEMO under subrule (1)(b):
  - (a) must conform with the relevant provisions of Division 2, Subdivision 2, if and to the extent AEMO considers compliance with those provisions reasonably practicable; and
  - (b) to the extent AEMO considers compliance with those provisions not reasonably practicable – must be determined on a basis AEMO considers reasonable in the circumstances.
- (4) AEMO must publish a determination under this rule.

### **350 Registered participant claims in respect of application of administered price cap**

Registered participants may claim compensation from AEMO in accordance with rule 237 in respect of gas injected into the declared transmission system if, because of the application of an administered price cap:

- (a) the resultant market price payable to that Registered participant is less than the price specified in its injection bid; or
- (b) ancillary payments to the Registered participant for the gas injected are reduced in accordance with rule 239(5).

### **351 Intervention reports**

- (1) Within 10 business days after one or more of the following events:
  - (a) an intervention by AEMO;
  - (b) an event which, in AEMO's reasonable opinion, is or may be a threat to system security;
  - (c) **[Deleted]**



- (d) an emergency,

AEMO must investigate the circumstances of that event and prepare a report to assess:

- (e) the adequacy of the provisions of this Part relevant to the event or events; and
- (f) the appropriateness of actions taken by AEMO in relation to the event or events; and
- (g) the costs incurred by AEMO and Registered participants as a consequence of responding to the event or events.

- (2) AEMO must publish the report on completion.

## **Division 6            Dispute Resolution**

### **352            Eligible parties**

For the purposes of Part 15C, the following persons are additional eligible parties in relation to a relevant dispute under or relating to Division 3 of this Part:

- (a) Connection Applicants; and
- (b) responsible persons or persons who intend to become responsible persons; and
- (c) persons appointed by AEMO as metering database agents under Division 3.

### **353            Time limits**

- (1) For the purposes of rule 135H(2)(a), the latest time for service of a Stage 1 notice is:
  - (a) in the case of a dispute about whether an unintended scheduling result has occurred or about compensation for an unintended scheduling result, 90 business days after the issue of the relevant operating schedule; and
  - (b) in the case of a dispute to which rule 229(17) or 314(7) applies, 2 business days after the end of the period specified in the relevant rule for determining or resolving the relevant matters; and
  - (c) in the case of a dispute to which rule 248(4) applies, the end of the period specified in that rule for raising the dispute.
- (2) For the purposes of rule 135HG(2), the maximum time limit for the Dispute resolution panel to decide any dispute arising under or in connection with this Part is:

- (a) where the dispute involves two parties and one hearing of the Dispute resolution panel, 110 business days after the dispute was referred to the Dispute resolution panel; and
- (b) where the dispute involves more than two parties or more than one hearing, 150 business days after the dispute was referred to the Dispute resolution panel.

## **Division 7            Enforcement and Monitoring**

### **354            Monitoring the market**

The AER must monitor trading activity in the Market:

- (a) with a view to ensuring that the trading activity is in accordance with this Part; and
- (b) to identify any significant price variations.

### **355            Significant price variations**

- (1) If the AER identifies any significant price variations, the AER must:
  - (a) within 10 business days notify Participants of this event; and
  - (b) within 20 business days following the issue of the final statement for that gas day, publish a report setting out the identified significant price variations.
- (2) The AER must develop and publish guidelines as to what constitutes a significant price variation.

## **Division 8            Development of proposals for rules under this Part**

### **356            Rule proposals**

- (1) Any person may make a proposal to AEMO to submit a request to the AEMC for a rule that amends this Part.
- (2) A proposal under subrule (1) must be given to AEMO in writing and:
  - (a) must include the name and address of the proponent;
  - (b) must include a statement of the reasons why the proposed rule is:
    - (i) necessary or desirable; and
    - (ii) consistent with the national gas objective; and

- (iii) compatible with the proper performance of AEMO's declared system functions; and
    - (iv) technically, operationally and economically feasible to implement; and
  - (c) may include a draft of the proposed rule; and
  - (d) may include any other information the proponent considers relevant.
- (3) AEMO may request the proponent to provide any further information it reasonably requires, or the AEMC is likely to require, for the proper assessment of the proposal.

### **357 Consultation on rule proposal**

- (1) As soon as practical after AEMO receives a proposal for a rule and any further information requested under rule 356(3), AEMO must consult with all Registered participants and any other persons AEMO reasonably considers would be affected by the proposed rule.
- (2) AEMO must make Procedures (**rule consultation procedures**) for the conduct of consultations under this rule.

### **358 AEMO decision on rule proposal**

- (1) AEMO must decide whether or not to request a rule based on a proposal made under rule 356, with such amendments as AEMO considers appropriate, within 60 business days after receiving that proposal.
- (2) The period of 60 business days referred to in subrule (1) is extended:
  - (a) by the number of business days from the date of any request by AEMO for further information under rule 356(3) to the date on which it receives all of the information requested; and
  - (b) by such further period as AEMO may notify the proponent in writing, being a period reasonably required by AEMO to complete its consultation on, and assessment of, the proposal.
- (3) AEMO must decide to request a proposed rule if it is satisfied that the proposed rule, with any amendments that AEMO considers appropriate, meets the criteria in rule 356(2)(b) and, if it is not so satisfied, must decide not to request the proposed rule.
- (4) If AEMO decides to request a rule proposed by a person under rule 356, AEMO must submit a request to the AEMC under the *NGL* within a further 20 business days.

- (5) If AEMO decides not to request a proposed rule, AEMO must notify the proponent of the reasons for its *decision*.

### **359 Other rule requests by AEMO**

AEMO may also make a request to the AEMC for a rule on its own initiative, and for those purposes AEMO may undertake such consultation as it considers to be appropriate.

## **Division 9 Derogations**

### **360 [Deleted]**

### **361 Uplift payment procedures**

For the purposes of rule 240(3)(e), the system injection point at Longford is the system injection point associated with authorised MDQ.

### **362 Longford measuring station**

- (1) The provisions of Division 3, Subdivision 4 (other than rules 290(1)(a) and (c), 292, 294, 295(2) and (5), 302, 304(1)(b) and (c), (2) and (3), 305(1), 307, 308, 309, 310, 311(1) and (2), 312, 313, 314, 315 and 316) do not apply to the Longford measuring station.
- (2) The derogation contained in subrule (1) ceases when the Longford measuring station is replaced, upgraded or materially modified.
- (3) In this rule:

**Longford measuring station** means the metering installation that is:

- (a) adjacent to the system injection point at Longford; and
- (b) the subject of the Gas Sales Agreement dated 20 November 1996 between Esso Australia Resources Ltd, BHP Petroleum (Bass Strait) Pty Ltd, and Gascor.

## Part 20 Short Term Trading Market Rules

### Division 1 Preliminary

#### 363 Application of this Part

This Part contains rules applicable to a short term trading market.

#### 364 Definitions

In this Part:

**Adelaide hub** – See rule 371 (2).

**administered ex post pricing state** – See rule 429.

**administered price cap** means the cap applicable to the ex ante market price, high contingency gas price and low contingency gas price for a hub on any gas day when an administered price cap state applies, being \$40/GJ.

**administered price cap state** – See rule 428.

**allocated quantity** for a registered trading right and a gas day means the quantity of natural gas allocated to that registered trading right in the registered facility service allocation or the STTM distribution system allocation, as the case may be, for that gas day.

**allocation agent** means:

- (a) for an STTM facility – the person specified as the allocation agent by the relevant STTM facility operator under rule 376(1)(h) or 378 (as the case may be) and registered by AEMO under rule 377(1); or
- (b) for a registered facility service – the person specified as the allocation agent by the relevant contract holder under rule 385(2)(e) or 394 (as the case may be),

and includes, where the context permits, a person registered by AEMO under Division 5, Subdivision 4.

**as available capacity** means, in respect of an STTM facility, a facility service that is not for firm capacity.

**billing period** means each period commencing on the gas day that starts on the first day of each calendar month and ending on the gas day that starts on the last day of that calendar month.

**billing period allocation statement** – See rule 419(4).

**Brisbane hub** – See rule 372A.

**capacity charge** means an amount calculated using a rate based on the capacity price and payable to AEMO by an STTM Shipper in respect of a quantity of natural gas (other than MOS gas) that was supplied to a hub on a gas day under a registered trading right for as available capacity in an STTM facility.

**capacity information** means information provided under rule 414(1) or information that AEMO uses as a substitute for that information in accordance with the STTM Procedures.

**capacity limit** of a facility service, distribution service or trading right, means a quantity (in GJ per gas day) representing the maximum capacity of that service or right for that gas day, which may be zero but cannot be negative.

**capacity payment** means an amount calculated using a rate based on the capacity price and payable by AEMO to an STTM Shipper in respect of a quantity of natural gas that was:

- (a) validly offered for supply to a hub on a gas day under a registered trading right for firm capacity in an STTM facility; but
- (b) not included in the STTM Shipper's registered facility service allocation (net of MOS gas).

**capacity price** for an STTM facility and a gas day means the price used to calculate capacity charges and capacity payments, representing the marginal value of the capacity of that STTM facility to deliver natural gas to a hub, as set out in the ex ante market schedule for that hub for that gas day.

**Note**

The capacity price may be zero.

**CG assessment conference** – See rule 441(1)(d).

**contingency gas** means a quantity of natural gas by which supply to or withdrawal from a hub by a Trading Participant is increased or decreased in accordance with Division 8 to address a contingency gas requirement.

**contingency gas bid** means a bid submitted by a Trading Participant in accordance with rule 436 to provide contingency gas by decreasing the quantity of natural gas supplied to a hub, or increasing the quantity of natural gas withdrawn from a hub, on a gas day.

**contingency gas bid stack** means the list of price steps contained in contingency gas bids that establishes the sequence in which AEMO is to schedule contingency gas where decreased flow of natural gas is required at a hub on a gas day.

**contingency gas offer** means an offer submitted by a Trading Participant in accordance with rule 435 to provide contingency gas by increasing the quantity of natural gas supplied to a hub, or decreasing the quantity of natural gas withdrawn from a hub, on a gas day.

**contingency gas offer stack** means the list of price steps contained in contingency gas offers that establishes the sequence in which AEMO is to schedule contingency gas where increased flow of natural gas is required at a hub on a gas day.

**contingency gas requirement** means the quantity, timing and location requirements determined in accordance with rule 444(3), for increased or decreased flows of natural gas to or from a hub on the current or the next gas day to meet an operational requirement associated with actual or forecast adverse operating conditions at a hub, where that operational requirement is unlikely to be met through the normal operation of the STTM.

**contingency gas trigger event** means an event or state in respect of a hub specified in rule 440(1).

**contract holder** means:

- (a) in respect of a facility contract, the STTM Shipper who is a party to that facility contract and to whom the STTM facility operator agrees to provide facility services under that facility contract; or
- (b) in respect of a distribution contract, the STTM User who is a party to that distribution contract and to whom the STTM distributor agrees to provide distribution services under that distribution contract; or
- (c) an STTM Shipper who is the STTM facility operator for an STTM production facility or STTM storage facility and who is taken to be a contract holder under rule 380(2); or
- (d) a person who is taken to be a contract holder under rule 372A(3).

**contract issuer** means:

- (a) in respect of a facility contract, the party to that contract who is the STTM facility operator; or
- (b) in respect of a distribution contract, the party to that contract who is the STTM distributor; or
- (c) an STTM facility operator for an STTM production facility or STTM storage facility who is taken to be a contract issuer under rule 380(2); or
- (d) a person who is taken to be a contract issuer under rule 372A(3).

**CPT horizon** means a period of 7 consecutive gas days for which the prices for natural gas at a hub are summed to determine whether the cumulative price threshold has been exceeded.

**credit support** means a security provided to AEMO by a Trading Participant under rule 478.

**credit support provider** means the third party that assumes obligations to AEMO under a form of credit support.

**cumulative price threshold** means 110% of the MPC, being the threshold for imposition of an administered price cap.

**custody transfer point** means a point at which natural gas passes from a pipeline, storage facility or production facility to an STTM distribution system.

**D-2 schedule** – See rule 416(2) and (4).

**D-3 schedule** – See rule 416(1) and (4).

**default event** – See rule 486.

**default interest rate** has the meaning given to it in rule 3.

**default notice** means a notice issued by AEMO under a provision of Division 10, in accordance with the requirements of rule 487.

**deviation charge** means an amount payable to or by a Trading Participant by or to AEMO in respect of a short deviation quantity.

**deviation payment** means an amount payable to or by a Trading Participant by or to AEMO in respect of a long deviation quantity.

**deviation price** for a gas day means the price used to calculate deviation charges and deviation payments, in accordance with the STTM Procedures.

**Note**

The deviation price may be zero.

**deviation quantity** means the difference between a Trading Participant's modified market schedule quantity and its allocated quantity in respect of natural gas supplied to or withdrawn from the hub in a registrable capacity for a gas day. A deviation quantity will be:

- (a) a **long** deviation quantity where:
  - (i) in respect of the supply of natural gas to a hub, an STTM Shipper's allocated quantity exceeds its modified market schedule quantity; or
  - (ii) in respect of the withdrawal of natural gas from a hub by an STTM Shipper or STTM User, that Trading Participant's allocated quantity is less than its modified market schedule quantity; or
- (b) a **short** deviation quantity where:
  - (i) in respect of the supply of natural gas to a hub, an STTM Shipper's allocated quantity is less than its modified market schedule quantity; or



- (ii) in respect of the withdrawal of natural gas from a hub by an STTM Shipper or STTM User, that Trading Participant's allocated quantity exceeds its modified market schedule quantity.

**dispute resolution processes** means the dispute resolution processes in Part 15C, subject to Division 13 of this Part.

**distribution contract** for an STTM distribution system means an agreement, which may consist of one or more instruments:

- (a) between an STTM distributor and another person under which the STTM distributor agrees to provide distribution services for that STTM distribution system to that other person; or
- (b) that is taken to be a distribution contract under rule 372A(3).

**distribution service** for a hub means a service:

- (a) relating to the haulage of natural gas from the hub through an STTM distribution system; or
- (b) that is taken to be a distribution service under rule 372A(3).

**ex ante bid** means a bid submitted by an STTM Shipper or STTM User for a hub to withdraw quantities of natural gas from that hub on a gas day at a specified price or prices.

**ex ante market charge** means an amount calculated on the basis of the ex ante market price and payable to AEMO by a Trading Participant for its market schedule quantities in respect of ex ante bids and price taker bids.

**ex ante market payment** means an amount calculated on the basis of the ex ante market price and payable by AEMO to a Trading Participant for its market schedule quantities in respect of ex ante offers.

**ex ante market price** means the price for natural gas for a hub and a gas day as set out in the ex ante market schedule for that hub for that gas day.

**ex ante market schedule** – See rule 417(6).

**ex ante offer** means an offer submitted by an STTM Shipper for a hub to supply quantities of natural gas to that hub on a gas day at a specified price or prices.

**ex post imbalance price** means the price for natural gas for a hub and a gas day that is determined after that gas day in accordance with rule 426.

**facility contract** for a hub means:

- (a) an agreement, which may consist of one or more instruments, between an STTM facility operator and another person under which the STTM facility operator agrees to provide facility services for that hub to that other person; or

- (b) a contract that is taken to exist under rule 380 where an STTM facility operator for an STTM production facility or STTM storage facility supplies natural gas to the hub on its own behalf.

**facility service** for a hub means a service provided by means of an STTM facility relating to:

- (a) where the STTM facility is an STTM pipeline, the haulage of natural gas through that pipeline to or from the hub, including injection into, or withdrawal from, the STTM pipeline at one or more custody transfer points; or
- (b) where the STTM facility is an STTM storage facility, the injection of natural gas from that STTM storage facility into an STTM distribution system at the hub; or
- (c) where the STTM facility is an STTM production facility, the injection of natural gas from that STTM production facility into an STTM distribution system at the hub.

**final statement** means a statement issued by AEMO under rule 469.

**financial year** means a period commencing on 1 July and ending on the following 30 June.

**firm capacity** means, in respect of an STTM facility, a facility service that is registered by AEMO under rule 383 with a priority of one, being the highest priority for a registered facility service.

**gas day** means:

- (a) for the Brisbane hub, a period of 24 consecutive hours starting at 8:00am on each day; and
- (b) for any other hub, a period of 24 consecutive hours starting at 6:30am on each day.

**gas quality specification** for a hub means:

- (a) the gas quality specification contained in Australian Standard AS 4564 — 2005, Specification for general purpose natural gas (as amended or replaced from time to time); and
- (b) any additional gas quality specifications contained in the applicable access arrangement for an STTM distribution system at that hub.

**good gas industry practice** means the practices, methods and acts that would reasonably be expected from experienced and competent persons engaged in the business of providing natural gas services in Australia, acting with all due skill, diligence, prudence and foresight and in compliance with all applicable legislation (including these rules), authorisations and industry codes of practice.

**Government direction** means a direction or instruction by or under the authority of a Minister or Government agency of a jurisdiction in which an STTM distribution system is located, under which a Trading Participant, STTM distributor or STTM facility operator is required by law to take action, or cease taking action, in order to increase or decrease the flow of gas into or out of that STTM distribution system.

**graduated variation parameters** means the parameters used to determine the amount of a variation charge, specified in rule 463.

**high contingency gas price** means the price to be paid to Trading Participants for the quantities of contingency gas provided by those Trading Participants under contingency gas offers at a hub on a gas day, as determined by AEMO in accordance with rule 447.

**hub** means:

- (a) the Adelaide hub; or
- (b) the Sydney hub; or
- (c) the Brisbane hub.

**identifier** means the unique reference assigned by AEMO to:

- (a) a Trading Participant; or
- (b) a registered facility service; or
- (c) a registered distribution service; or
- (d) a registered trading right; or
- (e) an STTM facility operator; or
- (f) an STTM distributor; or
- (g) an STTM facility; or
- (h) an STTM distribution system; or
- (i) an allocation agent.

**interest rate** has the meaning given to it in rule 3.

**invoice period** means each subsequent period commencing on 1 July in a year and ending on 30 June in the next year (both dates inclusive).

**Jemena** means Jemena Gas Networks (NSW) Limited (ABN 87 003 004 322) or its successor as the STTM distributor for the STTM distribution system at the Sydney hub.

**low contingency gas price** means the price to be paid by Trading Participants for the quantities of contingency gas provided by those Trading Participants under contingency gas bids at a hub on a gas day, as determined by AEMO in accordance with rule 448.

**margin call** means a request by AEMO to a Trading Participant in accordance with rule 485 to make up any anticipated shortfall between that Trading Participant's trading limit and AEMO's estimated exposure in respect of that Trading Participant.

**market administered scheduling state** – See rule 430.

**market administered settlement state** – See rule 431.

**market schedule quantity** for a registered trading right for a gas day means the quantity of natural gas scheduled to be either supplied to or withdrawn from a hub in respect of that registered trading right, as set out in the ex ante market schedule for that gas day.

**market schedule variation** means a quantity determined under rule 423, which AEMO must use for the purposes of determining a modified market schedule.

**matched allocation agreement** means an agreement between Jemena, one or more STTM pipeline operators and one or more STTM Shippers providing for the matched allocation of quantities of natural gas purchased by Jemena to meet the operational requirements for its STTM distribution system at the Sydney hub.

**matched allocation quantity** means a quantity of natural gas allocated in respect of a gas day in accordance with a registered matched allocation agreement:

- (a) to a contract holder for a facility service for the delivery of natural gas to the Sydney hub, being a quantity that is matched with an equal quantity allocated to;
  - (i) a contract holder for a distribution service for the withdrawal of gas from the Sydney hub; or
  - (ii) the STTM distributor for the Sydney hub; or
- (b) to:
  - (i) a contract holder for a distribution service for the withdrawal of natural gas from the Sydney hub; or
  - (ii) the STTM distributor for the Sydney hub.

being a quantity that is matched with an equal quantity allocated to a contract holder for a facility service for the delivery of natural gas to the Sydney hub.

**Note**

To the extent that a quantity of natural gas is supplied to or withdrawn from a hub for the purposes of a registered matched allocation agreement, but is not matched as indicated in this definition, it will not be a matched allocation quantity and must therefore be supplied through the STTM.

**maximum total payment** means the maximum amount payable by AEMO in respect of a billing period as determined by rule 475.

**minimum exposure** – See rule 480.

**MMP** means the minimum market price for natural gas traded at a hub for a gas day, being \$0/GJ.

**modified market schedule** means a schedule in relation to a hub and a gas day based on the sum of modified market schedule quantities for that hub and gas day, produced by AEMO after that gas day in accordance with rule 461.

**modified market schedule quantity** means, for a Trading Participant and a gas day, the sum of that Trading Participant's market schedule quantities for:

- (a) a direction of flow on an STTM facility; or
- (b) all STTM distribution systems at a hub,

adjusted by AEMO in accordance with this Part to take into account:

- (c) market schedule variations; and
- (d) allocations of MOS and overrun MOS; and
- (e) contingency gas offers and contingency gas bids scheduled by AEMO.

**MOS** means the market operator service by which capacity (in GJ) is provided to balance pipeline deviations by increasing or decreasing the quantity of natural gas supplied to or withdrawn from a hub using an STTM pipeline.

**MOS allocation service** means the allocation of pipeline deviations as MOS or overrun MOS in accordance with rule 421, but excludes any other part of the process for determining STTM facility allocations.

**MOS allocation service costs** means the costs reasonably incurred by an STTM pipeline operator (including fees and expenses payable to an allocation agent) in providing a MOS allocation service to the extent that those costs:

- (a) are either:
  - (i) incremental costs incurred exclusively for the provision of the MOS allocation service; or
  - (ii) a proportionate share of any incremental costs reasonably attributable to the provision of the MOS allocation service; and

- (b) would not have been incurred but for the requirement to provide the MOS allocation service; and
- (c) are not offset by benefits reasonably available to the STTM pipeline operator in relation to its other activities.

**MOS cost cap** means the maximum MOS price for a MOS increase offer or a MOS decrease offer that AEMO may include in a MOS stack, being \$50/GJ.

**MOS decrease offer** means an offer made by an STTM Shipper in accordance with rule 400 to provide MOS by decreasing the quantity of natural gas supplied to, or increasing the quantity of natural gas withdrawn from, a hub using a STTM pipeline.

**MOS decrease stack** means, in respect of an STTM pipeline, the list of price steps contained in MOS decrease offers that establishes the sequence in which MOS gas is to be allocated to MOS providers in order to balance a negative pipeline deviation.

**MOS gas** means the quantity of natural gas allocated in respect of a pipeline deviation to either:

- (a) a MOS provider based on a MOS stack; or
- (b) an STTM Shipper as overrun MOS,

which may be a positive quantity (in relation to an increase in the net quantity of natural gas supplied) or a negative quantity (in relation to a decrease in the net quantity of natural gas supplied).

**Note**

As MOS gas relates to a pipeline deviation for a gas day, a quantity of natural gas that was nominated to flow on that gas day cannot be allocated as MOS gas.

**MOS increase offer** means an offer made by an STTM Shipper in accordance with rule 400 to provide MOS by increasing the quantity of natural gas supplied to, or decreasing the quantity of natural gas withdrawn from, a hub using a STTM pipeline.

**MOS increase stack** means, in respect of an STTM pipeline, the list of price steps contained in MOS increase offers that establishes the sequence in which MOS gas is to be allocated to MOS providers in order to balance a positive pipeline deviation.

**MOS period** means the period of time in rule 396 that:

- (a) commences and ends on the first and last gas day respectively of that period; and
- (b) for which MOS increase offers and MOS decrease offers are to apply for the purpose of creating a MOS stack for each gas day in that period.

**MOS price** means the price, as specified in a price step of a MOS increase offer or MOS decrease offer, that applies without variation for each gas day in a MOS period to the quantity of MOS specified in that price step.

**MOS provider** for an STTM pipeline and a MOS period means:

- (a) an STTM Shipper whose MOS increase offer or MOS decrease offer (or any price step of that MOS increase offer or MOS decrease offer) is included by AEMO in a MOS stack for that STTM pipeline and MOS period; or
- (b) any other person, including AEMO, to the extent that person provides MOS as a result of the process contemplated under rule 403(3).

**MOS quantity** means the maximum quantity of MOS, as specified in a price step of a MOS increase offer or MOS decrease offer, which the person who submitted that MOS increase offer or MOS decrease offer is willing to provide at the price specified in that price step.

**MOS stack** means a MOS increase stack or a MOS decrease stack.

**MPC** means the market price cap, which is the maximum price for natural gas traded at a hub for a gas day, being \$400/GJ.

**operator representative** means the STTM facility operator who is, for the purposes of anything done under this Part:

- (a) the complying service provider for an STTM pipeline under section 10 of the NGL; or
- (b) the complying operator for an STTM storage facility or STTM production facility under rule 365.

**overrun MOS** means an allocation of MOS gas made in respect of a pipeline deviation to STTM Shippers where there are no available MOS quantities for the relevant STTM pipeline.

**participant compensation fund**, for a hub, means the Rule fund established and maintained under rule 451 for that hub.

**payment date** means the date on which payment is due in respect of a final statement or a revised statement for a billing period.

**pipeline deviation** for an STTM pipeline means the difference between:

- (a) the aggregate quantities of natural gas in final nominations accepted by the STTM pipeline operator for delivery from the STTM pipeline to a hub on a gas day; and
- (b) the quantity of natural gas determined by the STTM pipeline operator to have been delivered from the STTM pipeline to the hub on the gas day,

and is:

- (c) a **positive** pipeline deviation where the quantity under paragraph (b) exceeds the quantity under paragraph (a); or
- (d) a **negative** pipeline deviation where the quantity under paragraph (a) exceeds the quantity under paragraph (b).

**pipeline flow direction constraint charge** means an amount calculated on the basis of the pipeline flow direction constraint price and payable by an STTM Shipper in respect of the market schedule quantity that it was scheduled to withdraw from a hub into an STTM pipeline.

**pipeline flow direction constraint payment** means an amount calculated on the basis of the pipeline flow direction constraint price and payable to an STTM Shipper in respect of the market schedule quantity that it was scheduled to supply to a hub from an STTM pipeline.

**pipeline flow direction constraint price** for an STTM pipeline and a gas day means the price used to determine pipeline flow direction constraint charges and pipeline flow direction constraint payments, representing the marginal value of increasing the quantity of natural gas supplied to a hub to allow an increased quantity of natural gas to be withdrawn from that hub on that same STTM pipeline, as set out in the ex ante market schedule for that hub for that gas day.

**Note**

The pipeline flow direction constraint price may be zero.

**preliminary statement** means a statement issued by AEMO under rule 468.

**price step** means, as applicable:

- (a) a price and quantity of natural gas that may be specified in an ex ante offer, ex ante bid, contingency gas offer or contingency gas bid; or
- (b) a price and quantity of MOS specified in a MOS increase offer or MOS decrease offer.

**price taker bid** means a bid submitted by an STTM User for a hub to withdraw quantities of natural gas from that hub on a gas day at the ex ante market price that applies on that gas day.

**provisional schedule** means either or both of the D-3 schedule or D-2 schedule as the context requires.

**prudential requirements** means the requirements imposed on a Trading Participant to provide and maintain a security in accordance with Division 10, Subdivision 3.

**publish** by AEMO or the AER, means, except where otherwise specified in a Rule, to make publicly available on their respective website.



**registered**, or to **register**, in relation to a person, contract, service, information, right or other thing, means registered by AEMO under a provision of this Part, and **deregistered** or to **deregister** have corresponding meanings.

**registered distribution service** means a distribution service registered by AEMO under rule 383.

**registered facility service** means a facility service registered by AEMO under rule 383.

**registered facility service allocation**, in respect of a registered trading right, means the quantity of natural gas that is taken to be supplied to or withdrawn from the hub by the trading right holder on a gas day using the registered facility service to which the trading right relates.

**registered trading right** means a trading right registered by AEMO under Division 5, Subdivision 3.

**revised statement** means a statement issued by AEMO under rule 473.

**RoLR** has the same meaning as in the *NERL*.

**scheduled, scheduling and to schedule**, and to **schedule**, means the process of scheduling ex ante offers, ex ante bids, price taker bids, contingency gas offers and contingency gas bids that AEMO is required to carry out in accordance with this Part, and a **schedule** is the output of that process.

**scheduling error** means:

- (a) a failure of AEMO to schedule ex ante offers, ex ante bids or price taker bids in accordance with this Part and the STTM Procedures; or
- (b) a failure of AEMO to schedule contingency gas offers or contingency gas bids in accordance with this Part and the STTM Procedures.

**settlement amount** means an amount payable by or to a Trading Participant in respect of a billing period as determined by AEMO in accordance with rule 464.

**settlement shortfall charge** for a billing period means the amount payable by a Trading Participant in respect of the share of the settlement shortfall over that billing period that is allocated by AEMO to that Trading Participant in accordance with the STTM Procedures.

**settlement statement** means a statement issued by AEMO in the form of a preliminary statement, final statement or revised statement.

**settlement surplus cap** means an amount for a billing period that, if included in the STTM Procedures, AEMO will use in calculating settlement surplus payments in accordance with the STTM Procedures.

**settlement surplus payment** for a billing period means the amount payable to a Trading Participant in respect of the share of the settlement surplus over that

billing period that is allocated by AEMO to that Trading Participant in accordance with the STTM Procedures.

**short term trading market or STTM**

means:

- (a) the short term trading market of New South Wales operating at the Sydney hub; and
- (b) the short term trading market of South Australia operating at the Adelaide hub; and
- (c) the short term trading market of Queensland operating at the Brisbane hub,

each being a market for the supply of natural gas, including the related services described in this Part, operated and administered by AEMO in accordance with this Part.

**SPA** means the scheduling and pricing algorithm used by AEMO for the purposes of creating provisional schedules and ex ante market schedules and determining prices.

**STTM commencement date** means:

- (a) 4 June 2010; or
- (b) a later date determined and published by AEMO not less than 10 business days before the STTM commencement date in effect immediately prior to that determination, having regard to the likely cost or benefit of deferral and after consultation with persons AEMO considers would be materially affected by the determination.

**STTM distribution system** – See rule 371(1) for the Adelaide hub, rule 372(1) for the Sydney hub and rule 372A for the Brisbane hub.

**STTM distribution system allocation** means the total quantity of natural gas that is taken to be withdrawn by an STTM User with a registered trading right from the relevant hub on a gas day, as determined by AEMO under rule 422.

**STTM distributor**, in respect of an STTM distribution system, means:

- (a) the person who is authorised to operate that system, being:
  - (i) where that STTM distribution system is located in New South Wales, the person who holds a reticulator's authorisation for that system under the *Gas Supply Act 1996* of New South Wales;
  - (ii) where that STTM distribution system is located in South Australia, the person who holds a gas distribution licence for that system under the *Gas Act 1997* of South Australia; or

(iii) where that STTM distribution system is located in Queensland, the person who holds a distribution authority for that system under the *Gas Supply Act 2003* of Queensland; or

(b) a person who is taken to be an STTM distributor under rule 372A(3).

**STTM facility** means an STTM pipeline, an STTM storage facility or an STTM production facility.

**STTM facility allocation** for a registered facility service, means the total quantity of natural gas that is taken to be supplied to or withdrawn from the relevant hub on a gas day using that registered facility service, as validly given to or substituted by AEMO under rule 419.

**STTM facility operator** means:

- (a) for an STTM pipeline, the relevant STTM pipeline operator; and
- (b) for any other STTM facility, a person who owns, controls or operates that facility.

**Note**

Rule 365 applies if more than one person owns, controls or operates an STTM production facility or STTM storage facility.

**STTM interface protocol** protocol – See rule 368.

**STTM pipeline** means a pipeline for the transmission of natural gas that is directly connected to an STTM distribution system at a custody transfer point included in a hub, but excludes any pipeline that is part of an STTM production facility or STTM storage facility.

**STTM pipeline operator**, for an STTM pipeline, means the service provider for that pipeline.

**Note**

Section 10 of the NGL applies if there is more than one service provider for an STTM pipeline.

**STTM production facility** means a facility at which natural gas is produced for injection directly from that facility into an STTM distribution system at a custody transfer point included in a hub, and includes an associated pipeline connecting that facility directly to the hub.

**STTM storage facility** means a facility (other than a pipeline) for storing natural gas for injection directly from that facility into an STTM distribution system at a custody transfer point included in a hub, and includes an associated pipeline connecting that facility directly to the hub.

**STTM Shipper** for a hub means a person who is registered by AEMO in that registrable capacity under Part 15A.

**STTM User** for a hub means a person who is registered by AEMO in that registrable capacity under Part 15A.

**suspension notice** means a notice issued by AEMO under a provision of Division 10, in accordance with the requirements of rule 488.

**Sydney hub** – See rule 372(2).

**Trading Participant** means an STTM Shipper or an STTM User.

**trading amount** means the sum calculated in accordance with rule 461(3).

**trading limit** – See rule 483.

**trading right** means:

- (a) the right of a contract holder to use capacity in respect of a registered facility service, to the extent that the contract holder has not granted that right to another person as contemplated in paragraph (b);
- (b) a right granted by a contract holder to another STTM Shipper to use some or all of the capacity to which the contract holder is entitled in respect of a registered facility service; or
- (c) the right of a contract holder in respect of one or more registered distribution services for a hub, to use capacity in respect of those services at a hub.

**trading right holder** means a Trading Participant who is registered by AEMO as the holder of a registered trading right.

**Note**

Trading rights in respect of a registered facility service may be held by the relevant contract holder or another Trading Participant. A trading right in respect of a one or more registered distribution services for a hub may only be held by the relevant contract holder. See rules 384 and 385.

**variation charge** means an amount payable by a Trading Participant in respect of market schedule variations.

### **365 Multiple STTM facility operators for STTM production facility or STTM storage facility**

- (1) This rule applies in relation to this Part if:
  - (a) more than one STTM facility operator (an **operator group**) owns, controls or operates an STTM production facility or an STTM storage facility; and
  - (b) an STTM facility operator is required or allowed to do a thing under this Part.

- (2) An STTM facility operator of the operator group which is authorised by the other STTM facility operators of the operator group to do a thing on behalf of the operator group (the **complying operator**) may do that thing on behalf of all the STTM facility operators of the operator group.
- (3) Unless these rules otherwise provide, on the doing of a thing referred to in subrule (2) by a complying operator, the STTM facility operators of the operator group must, for the purposes of this Part, each be taken to have done the thing done by that complying operator.

### 366 Time and Dates

- (1) References in this Part to a time of day are to Australian eastern standard time (and are not adjusted for daylight saving time in any jurisdiction).
- (2) In this Part, unless otherwise specified:
  - (a) a period of time expressed to commence before or after a given day, or before or after the day of an act or event, is to be calculated exclusive of that day; and
  - (b) a period of time expressed to commence on a given day, or on the day of an act or event, is to be calculated inclusive of that day.

### 367 Technical Interpretation

- (1) A **quantity** of natural gas referred to in this Part is a quantity in joules.
- (2) One **megajoule** or **MJ** is 1,000,000 joules.
- (3) One **gigajoule** or **GJ** is 1,000 megajoules.
- (4) One **terajoule** or **TJ** is 1,000 gigajoules.

### 368 STTM interface protocol

- (1) AEMO must, after consulting with Trading Participants, STTM facility operators, STTM distributors and allocation agents, establish the STTM interface protocol for the provision of communications under this Part.
- (2) AEMO may amend the STTM interface protocol after consulting with Trading Participants, STTM facility operators, STTM distributors and allocation agents in accordance with:
  - (a) the standard consultative procedure; or
  - (b) if AEMO reasonably considers the proposed amendment to be urgent, the expedited consultative procedure.
- (3) AEMO must publish the STTM interface protocol, as amended from time to time.

- (4) The STTM interface protocol may specify details to be included in a communication, in addition to information specified in this Part or the STTM Procedures, if those details are reasonably required by AEMO for the purpose for which the communication is to be given, including the validation of information.
- (5) All communications must comply with the requirements of, and be submitted in the form and manner, and by the time, specified in the STTM interface protocol for the relevant type of communication, unless:
  - (a) expressly stated in this Part; or
  - (b) permitted by AEMO in respect of communications to be made to AEMO,and AEMO may reject any communication that does not so comply.
- (6) In this rule:

**communication** means any information, notice, request, bid, offer or other submission or communication to be given by AEMO or any other person under this Part.

### 369 **Standard for information or data given under this Part or the STTM Procedures**

A person required by a provision of this Part or the STTM Procedures to give information or data to AEMO must:

- (a) prepare and submit that information or data; and
- (b) if applicable, maintain any equipment from which that information or data is derived,

in accordance with good gas industry practice.

**Note:**

This rule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This rule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

### 370 **Reliance on registered information**

- (1) AEMO is entitled to, and must, perform and exercise its duties and rights and perform its obligations under this Part on the basis that the information that:
  - (a) is included in the register maintained under rule 135B or is registered by AEMO under this Part; and

- (b) is required to be included in that register or registered under this Part,  
  
is correct.
- (2) Information (including updated information) registered by AEMO under this Part must not be used in respect of any gas day commencing before the date on which that information is registered.
- (3) Anything done by or given to a person registered by AEMO under rule 377 as an operator representative is, for the purposes of this Part, taken to have been done by or given to each STTM facility operator for the relevant STTM facility, whether or not that person is in fact the duly authorised operator representative in relation to that thing.
- (4) Nothing in this rule excuses AEMO from any liability which it might otherwise have for failing to register information that:
  - (a) has been provided to it in accordance with this Part; and
  - (b) AEMO is required to register under this Part.
- (5) AEMO is not required to verify the accuracy of information provided to it for the purposes of its functions under this Part, except as expressly provided in this Part or the STTM Procedures.

## **Division 2            Hubs and STTM Distribution Systems**

### **371            Adelaide hub**

- (1) The STTM distribution system for the Adelaide hub comprises the Adelaide Metro sub network in the South Australian gas distribution system that is identified by the gas zone code 2101 in the Retail Market Procedures for South Australia
- (2) The Adelaide hub comprises those custody transfer points that are connected to the STTM distribution system described in subrule (1) and specified in the STTM Procedures.

### **372            Sydney hub**

- (1) The STTM distribution system for the Sydney hub comprises:
  - (a) the Wilton-Newcastle Network Section; and
  - (b) the Wilton-Wollongong Network Section,

of the distribution pipeline owned at the STTM commencement date by Jemena Gas Networks (NSW) Ltd ACN 003 004 322 and referred to as "NSW Gas Networks", as those sections are defined from time to time in the applicable access arrangement for that pipeline.

- (2) The Sydney hub comprises those custody transfer points that are connected to the STTM distribution system described in subrule (1) and specified in the STTM Procedures.

### **372A Brisbane hub**

- (1) The Brisbane hub comprises the custody transfer points specified in the STTM Procedures.
- (2) The STTM distribution systems for the Brisbane hub are:
  - (a) the distribution systems for the Brisbane North and Ipswich distribution areas described in clauses 2.1 and 2.2 of Schedule 1 to Area Distribution Authority number DA-A-007 issued under the *Gas Supply Act 2003* of Queensland; and
  - (b) the distribution system for the South East Queensland distribution area described in clause 2.1 of Schedule 1 to Area Distribution Authority number DA-A-009 issued under the *Gas Supply Act 2003* of Queensland; and
  - (c) a facility that is taken to be an STTM distribution system under subrule (3).
- (3) Unless otherwise specified in these rules or the STTM Procedures, for the purposes of this Part 20:
  - (a) a facility that is directly connected to an STTM pipeline at a custody transfer point that is part of the Brisbane hub where natural gas is withdrawn for consumption in that facility, is taken to be an STTM distribution system;
  - (b) the withdrawal of natural gas into the facility at that custody transfer point is taken to be a distribution service under a distribution contract for which the STTM pipeline operator is the contract issuer and the user of that service is the contract holder; and
  - (c) the user of that service is taken to be the STTM distributor for the facility.
- (4) AEMO may, by written notice, exempt a person who is taken to be an STTM distributor under subrule (3) from a requirement to comply with a provision of this Part 20, subject to any conditions reasonably specified by AEMO.



## **Division 3            Registration of Trading Participants**

### **Subdivision 1        Registration as a Trading Participant**

#### **373            Additional requirements for registration as an STTM User**

To be registered as an STTM User for a hub, a person that:

- (a) sells natural gas that is hauled through an STTM distribution system at the hub; and
- (b) is required to be authorised to sell that natural gas,

must hold the authorisation required for the sale of that natural gas.

##### **Note**

General requirements for registration are set out in rule 135AC.

#### **374            Notice of revocation of registration or exemption**

If AEMO revokes the registration, or the exemption from registration, of a person as an STTM Shipper or an STTM User under rule 135AH, AEMO must give notice of the revocation to:

- (a) each contract issuer in respect of a facility contract or distribution contract for which that person is a contract holder; and
- (b) each contract holder in respect of a facility contract in relation to which that person holds a registered trading right for a registered facility service; and
- (c) each allocation agent for a registered facility service provided under a contract referred to in paragraphs (a) or (b).

### **Subdivision 2        Register**

#### **375            Register to contain additional information for STTM**

The register established by AEMO under rule 135B must contain the following additional information in respect of registrations or exemptions relating to the STTM:

- (a) the hub to which each registration or exemption relates; and
- (b) where the registration of a Trading Participant is suspended, the registrable capacity to which the suspension relates and the time at which the suspension took effect.

## **Division 4                      Information about STTM Facilities and STTM Distribution Systems**

### **376                      Obligation to provide information**

- (1) An STTM facility operator must:
- (a) within 10 business days after the commencement of this rule, if it is an STTM facility operator at that time; or
  - (b) otherwise, no later than 20 business days before the date natural gas is first delivered to the hub by means of the STTM facility,

provide the following information to AEMO:

- (c) the name, Australian Business Number or Australian Company Number, and contact details of the STTM facility operator, who must be the operator representative if there is more than one STTM facility operator for that STTM facility; and
- (d) the name and type of STTM facility in respect of which it is the STTM facility operator; and
- (e) the hub to which the STTM facility is connected; and
- (f) the capacity (in GJ) that is to be used by AEMO as the default capacity of the STTM facility to deliver natural gas to the hub on a gas day under rule 414 and the STTM Procedures, being the STTM facility operator's reasonable estimate of that capacity under the expected operating conditions in a period that includes that gas day; and
- (g) the maximum capacity (in GJ) that AEMO may accept under rule 414 as the capacity of the STTM facility to deliver natural gas to the hub on any gas day; and
- (h) details of the allocation agent appointed by that STTM facility operator for the STTM facility or, if the STTM facility operator itself is to be the allocation agent, a statement to that effect; and

#### **Note**

The STTM facility operator may appoint AEMO as the allocation agent.

- (i) the written consent of any appointed allocation agent to act in that capacity; and
- (j) benchmark information to be used in relation to the calling of contingency gas in accordance with Division 8, as specified in the STTM Procedures; and

- (k) any other information required by AEMO for the purposes of AEMO's functions under this Part, as specified in the STTM Procedures.
- (2) An STTM distributor must:
  - (a) within 10 business days after the commencement of this rule, if it is an STTM distributor at that time; or
  - (b) otherwise, no later than 20 business days before the date on which it is to become an STTM distributor,provide the following information to AEMO:
  - (c) the name, Australian Business Number or Australian Company Number, and contact details of the STTM distributor; and
  - (d) the name of the STTM distribution system in respect of which it is the STTM distributor; and
  - (e) the hub to which the STTM facility is connected; and
  - (f) benchmark information to be used in relation to the calling of contingency gas in accordance with Division 8, as specified in the STTM Procedures; and
  - (g) any other information reasonably required for the purposes of AEMO's functions under this Part, as specified in the STTM Procedures.
- (3) AEMO may, within 5 business days after receiving information under subrules (1) or (2), request the STTM facility operator or STTM distributor to provide further information, or clarification of the information provided, if in AEMO's reasonable opinion the information provided:
  - (a) is incomplete; or
  - (b) requires clarification.

### **377 Registration of information**

- (1) On receiving information under rule 376, AEMO must, within 10 business days:
  - (a) if AEMO is satisfied that the information complies with the requirements of rule 376, register that information and inform the relevant STTM facility operator, STTM distributor and allocation agent (as the case may be) of its identifier, the details registered for it and the identifier of the STTM facility or STTM distribution system; or
  - (b) if AEMO is not so satisfied, inform the relevant STTM facility operator or STTM distributor and (subject to subrule (2)) not register the information.

- (2) If the STTM facility operator does not provide a capacity under rule 376(1)(f) or (g), AEMO must determine a capacity in accordance with the STTM Procedures and register any capacity so determined.
- (3) AEMO must publish a list of the STTM facilities and STTM distribution systems about which it has registered information under this rule, and must update that list each time it registers information about an additional STTM facility or STTM distribution system.

### **378 Changes to information**

- (1) An STTM facility operator or STTM distributor must provide AEMO with updated information:
  - (a) as soon as practicable if any information registered by AEMO in accordance with rule 377 changes, or is otherwise inaccurate; and
  - (b) in respect of benchmark information provided in accordance with rule 376(1)(j) or 376(2)(f), on the dates specified in the STTM Procedures.
- (2) Rule 376(3) and rule 377 apply, with necessary modifications, to updated information provided to AEMO under subrule (1).

## **Division 5 Registration of Services and Trading Rights**

### **Subdivision 1 Preliminary**

#### **379 Confidentiality**

Information provided to AEMO under this Division is confidential information.

### **Subdivision 2 Facility services and distribution services**

#### **380 Contract holders to provide information to AEMO**

- (1) A contract holder must provide the information specified in rule 381 to AEMO for each facility service and distribution service provided under a facility contract or distribution contract to which it is a party:
    - (a) by the later of:
      - (i) 2 business days after AEMO publishes a list under rule 377(3) that includes the STTM facility or STTM distribution system to which the contract relates; and
      - (ii) 10 business days after the commencement of this rule,
- if the contract is in effect at that time; or

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (b) otherwise, no later than 10 business days before the first date on which a facility service or distribution service is to be used by the contract holder under that contract.
- (2) Where an STTM facility operator for an STTM production facility or STTM storage facility supplies natural gas to the hub on its own behalf then, for the purposes of this Part:
- (a) a facility contract is taken to exist under which natural gas supplied by the STTM facility operator on its own behalf is injected from that STTM facility into the relevant STTM distribution system; and
  - (b) that STTM facility operator is taken to be both the contract holder and the contract issuer for that facility contract, and has the same obligations as other contract holders and contract issuers.

### **381 Information requirements**

- (1) The information to be provided in respect of a facility service or distribution service in accordance with rule 380 is as follows:
- (a) a reference and name for each relevant facility contract or distribution contract under which that service is provided that will allow that contract to be identified by the contract issuer and contract holder; and
  - (b) details of the contract issuer; and
  - (c) the identifier of the Trading Participant who is the contract holder; and
  - (d) the STTM facility or STTM distribution system to which the facility service or distribution service relates; and
  - (e) a description of the service; and
  - (f) the first gas day for provision of that service, being the first gas day on which that service becomes available to the contract holder; and
  - (g) the last gas day on which that service will be available to the contract holder, disregarding any extension of time that may be (but has not yet been) effected under the relevant contract; and
  - (h) the capacity limit of the service for each gas day; and
  - (i) for a facility service:
    - (i) the direction of gas flow to which the service relates; and

- (ii) the priority to be given to the service relative to other types of facility services provided by means of the same STTM facility; and
  - (j) any other details reasonably required for the purposes of AEMO's functions under this Part, as specified in the STTM Procedures.
- (2) A contract holder must provide details of its distribution services as a single aggregated submission for each STTM distribution system at a hub.

## **382 Confirmation of information**

- (1) AEMO must, as soon as practicable after receiving the information specified in rule 381(1) about a service, request the contract issuer in respect of the relevant facility contract or distribution contract to confirm that information.
- (2) Within 2 business days after receiving a request under subrule (1), a contract issuer must either:
  - (a) confirm the information provided by the contract holder; or
  - (b) reject the information provided by the contract holder.

## **383 Registration or rejection of information**

- (1) If a contract issuer confirms the information under rule 382(2)(a), AEMO must as soon as practicable:
  - (a) register the facility service or distribution service and the details for that service referred to in rule 381; and
  - (b) inform the contract holder and the contract issuer of the identifier of the registered facility service or registered distribution service and the registered details for that service; and
  - (c) request the contract holder to submit trading rights information under rule 384.
- (2) If a contract issuer rejects the information under rule 382(2)(b), AEMO must:
  - (a) inform the contract holder as soon as practicable; and
  - (b) not register the facility service or distribution service.

## **Subdivision 3 Trading rights**

### **384 Trading right of contract holder**

- (1) Unless subrule (1A) applies, on receipt of a request under rule 383(1)(c), a contract holder must submit to AEMO the details of the trading right to be

registered to the contract holder in respect of the registered facility service or registered distribution service, which must be consistent with the registered details for that service.

(1A) If:

- (a) a contract holder in respect of a distribution contract receives a request under rule 383(1)(c); and
- (b) the contract holder has an existing registered trading right in respect of one or more registered distribution services at a hub,

then on receipt of a request under rule 383(1)(c), the contract holder must submit to AEMO the details of the modification required to the trading right, which must be consistent with the registered details for the service to which the request under rule 383(1)(c) relates.

(2) As soon as practicable after receiving the contract holder's submission under subrule (1), AEMO must register the trading right to the contract holder if it is satisfied that:

- (a) the details submitted are consistent with the registered details for the service; and
- (b) the contract holder is registered under Part 15A as:
  - (i) in the case of a trading right for a registered facility service, an STTM Shipper for the relevant hub; or
  - (ii) in the case of a trading right for a registered distribution service, an STTM User for the relevant hub.

(3) If AEMO is not satisfied of the matters in subrule (2), AEMO must inform the contract holder as soon as practicable, and must not register the trading right.

**Note**

The capacity limit of a contract holder's trading right in respect of a registered facility service will be reduced to the extent and for the period that the contract holder grants trading rights to other Trading Participants that are registered under rule 385. Those other trading rights may be for all or only a part of the capacity limit or period of the contract holder's trading right. Therefore, when such a trading right expires or is terminated, the capacity limit of the trading right reverts to the contract holder's trading right for any residual period of the service.

(4) As soon as practicable after receiving the contract holder's submission under subrule (1A), AEMO must modify the contract holder's trading right if it is satisfied that the details submitted are consistent with the registered details for the service

(5) If AEMO is not satisfied of the matters in subrule (4), AEMO must inform the contract holder as soon as practicable, and must not modify the trading right.

### 385 Additional trading rights

- (1) A contract holder in respect of a registered facility service for which that contract holder has a registered trading right may provide to AEMO the details of a trading right (an **additional trading right**) granted by that contract holder to another Trading Participant that will reduce the registered capacity limit of the contract holder's registered trading right for each gas day to which the additional trading right is to apply.
- (2) The details required to be provided under subrule (1) are as follows:
  - (a) the identifier of the contract holder's registered trading right; and
  - (b) the Trading Participant to whom the additional trading right has been granted; and
  - (c) the first and the last gas days of the period for which the additional trading right is to apply; and
  - (d) the capacity limit of the additional trading right for each gas day in the period referred to in paragraph (c); and
  - (e) the identifier of the allocation agent (if any) appointed by the contract holder for the purpose of preparing and providing registered facility service allocations; and

**Note:**

The contract holder may appoint AEMO as the allocation agent. Where no details or statement are provided under this paragraph, rule 420(5) will apply.

- (f) any other details reasonably required for the purposes of AEMO's functions under this Part, as specified in the STTM Procedures.
- (3) AEMO must register an additional trading right and the details of the additional trading right provided in accordance with this rule if AEMO is satisfied that:
  - (a) the Trading Participant to whom the additional trading right has been granted is registered under Part 15A as an STTM Shipper for the relevant hub; and
  - (b) the capacity limit of the additional trading right for each gas day in the period referred to in subrule (2)(c) does not exceed the registered capacity limit of the contract holder's registered trading right for that gas day; and
  - (c) the details of the additional trading right are otherwise not inconsistent with the details and information registered for that facility service; and
  - (d) if the trading right were registered by AEMO, the sum of the registered capacity limits for each gas day of:
    - (i) the additional trading right; and



- (ii) the contract holder's trading right, after deducting the capacity limit of the additional trading right; and
- (iii) all other registered trading rights in respect of the relevant registered facility service,

will equal the registered capacity limit of that service for that gas day.

- (4) If AEMO is not satisfied of the matters in subrule (3), AEMO must inform the contract holder as soon as practicable and must not register the additional trading right.

### **386 Registration of trading rights**

If AEMO registers a trading right under this Division, AEMO must:

- (a) register the contract holder (in the case of a trading right registered under rule 384) or the Trading Participant to whom the trading right has been granted (in the case of a trading right registered under rule 385) as the trading right holder of the trading right; and
- (b) register the following details in respect of the trading right:
  - (i) the identifier for the registered facility service or each of the registered distribution services to which the trading right relates; and
  - (ii) if the trading right relates to a registered facility service, the first and last gas days of the period for which the trading right applies; and
  - (iii) if the trading right relates to one or more registered distribution services, the first and last gas days of each of the registered distribution services to which the trading right relates; and
  - (iv) the capacity limit of that trading right for:
    - (A) in respect of a trading right that relates to a registered facility service, each gas day in the period referred to in paragraph (b)(ii); or
    - (B) in respect of a trading right that relates to one or more registered distribution services, each gas day from the earliest gas day registered under paragraph (b)(iii) to the latest gas day registered under paragraph (b)(iii); and
  - (v) any other details AEMO considers necessary; and
- (c) inform the trading right holder and (if the trading right holder is not the contract holder) the contract holder of the identifier and the registered details of the trading right; and

- (d) in the case of an additional trading right registered under rule 385, reduce the registered capacity limit of the contract holder's registered trading right for each gas day by a quantity equal to the capacity limit of that additional trading right for each such gas day.

## **Subdivision 4      Allocation agents**

### **387      Obligation to ensure compliance**

Each STTM facility operator or contract holder who appoints an allocation agent for the purposes of this Part must ensure that the allocation agent complies with its obligations under this Part for the term of that appointment.

**Note:**

This rule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This rule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

### **388      Registration requirement and application**

- (1) A contract holder may only appoint a person other than AEMO as an allocation agent for the purposes of this Part if that person is registered by AEMO under this Subdivision.
- (2) An application for registration as an allocation agent must be in the form, and contain or be accompanied by the information, reasonably required by AEMO.
- (3) AEMO may, within 5 business days of receiving an application, request the applicant to provide further information or clarification in support of the application if, in AEMO's reasonable opinion, the application:
  - (a) is incomplete; or
  - (b) requires clarification.
- (4) If AEMO asks for further information or clarification under subrule (3), the application is taken to have been received when the further information or clarification is provided to AEMO's satisfaction and to incorporate that further information or clarification.
- (5) If the further information or clarification is not provided to AEMO's satisfaction within 15 business days of the request, the application lapses.

## **389 Registration**

- (1) AEMO must, within 15 business days after the date of an application under rule 388:
  - (a) if the application complies with the requirements in rule 388(2), register the applicant as an allocation agent and issue that person with an identifier; or
  - (b) otherwise, refuse the application and give the applicant written reasons for the refusal.
- (2) Registration of the applicant as an allocation agent will take effect on the date specified in a notice of registration sent by AEMO to the applicant, which must not be more than 5 business days after the date on which AEMO sends the notice.

## **Subdivision 5 Changes to registered services and trading rights**

### **390 Changes to details of registered services**

- (1) A contract holder in respect of a facility contract must ensure that all allocations submitted under Division 7 for each gas day in respect of a registered facility service that is provided under that contract are consistent with the registered details of that service.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (2) A contract holder must notify AEMO of any change to:
  - (a) the capacity limit of a registered facility service or registered distribution service for any gas day; or
  - (b) the first or last gas days of the period for which a registered facility service or registered distribution service will be available to the contract holder,

as soon as practicable, but no later than one gas day before the gas day on which that change becomes effective.

**Note:**

If the contract holder is no longer entitled to be provided with the service because another person assumes the rights and obligations of the contract holder in respect of that service, that person will be required to submit information to AEMO under rule 380.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (3) A notification given under subrule (2) must specify:

- (a) the identifier of the registered facility service or registered distribution service; and
- (b) the updated information.

### **391 Confirmation and consequential changes to trading rights**

- (1) AEMO must, as soon as practicable after receiving a notice under rule 390(2), request the contract issuer in respect of the relevant facility contract or distribution contract to confirm that information
- (2) Within 2 business days after receiving a request under subrule (1), a contract issuer must either:
  - (a) confirm the information provided by the contract holder; or
  - (b) reject the information provided by the contract holder.
- (3) If a contract issuer confirms the information under subrule (2)(a), AEMO must as soon as practicable request the contract holder to provide to AEMO details of the changes to be made to that contract holder's registered trading right relating to that service.
- (4) If a contract issuer rejects the information under subrule (2)(b), AEMO must inform the contract holder as soon as practicable.

### **392 Registration of changes to registered service and trading rights**

- (1) AEMO must register the details of a change notified under rules 390 and 391, if AEMO is satisfied that:
  - (a) where the change relates to a registered facility service, the sum of the capacity limits for each gas day of:
    - (i) the contract holder's registered trading right, as modified in accordance with the change; and
    - (ii) all other registered trading rights in respect of the registered facility service,will equal the registered capacity limit of that service for that gas day; and
  - (b) the change is otherwise consistent with the registered details for the relevant registered facility service or registered distribution service.
- (2) If AEMO is not satisfied of the matters in subrule (1), AEMO must inform the contract holder as soon as practicable and must not register any changes.

### **393 Changes to details of additional trading rights**

- (1) A contract holder may notify AEMO of a change to the details of a registered trading right that was registered under rule 385 at any time, but no later than 5.5 hours after the start of on the gas day before the gas day on which that change becomes effective.
- (2) The requirements of rule 385 apply, with appropriate modifications, to the changed details provided under subrule (1) as if they had been provided by the contract holder in respect of an additional trading right under rule 385(1).
- (3) As soon as practicable after receiving details provided in accordance with subrule (1), AEMO must:
  - (a) inform the relevant trading right holder of those details; and
  - (b) update the registered details of the registered trading right; and
  - (c) reduce or increase the capacity limit of the contract holder's registered trading right for each gas day by a quantity corresponding to any increase or reduction in the capacity limit of the changed registered trading right for that gas day.

### **394 Change of allocation agent for trading rights**

A contract holder must promptly notify AEMO of any change to the allocation agent appointed by that contract holder in relation to a registered facility service, and the first gas day for which (or the period for which) that change is to be effective.

**Note:**

This rule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

### **395 Termination or assignment of services**

- (1) This rule applies if a contract holder will cease to be entitled to be provided with a registered facility service or registered distribution service before the gas day which is registered as the last gas day on which that service will be available to the contract holder.
- (2) If this rule applies, the contract issuer in respect of the relevant facility contract or distribution contract must notify AEMO as soon as practicable after becoming aware of the gas day on which the service will cease to be available to the contract holder, specifying that gas day and the identifier of the registered facility service or registered distribution service.
- (3) The gas day specified by the contract issuer under subrule (2) must not be earlier than the gas day after the gas day on which the notification is submitted.

- (4) However, the obligation of the contract issuer under subrule (2) does not apply if the contract issuer has confirmed the details of the cessation provided by the contract holder to AEMO under rule 390.
- (5) As soon as practicable after receiving a notification submitted in accordance with subrule (2), AEMO must:
  - (a) inform each trading right holder in respect of the relevant registered facility service or registered distribution service; and
  - (b) deregister the relevant service; and
  - (c) if the relevant service is a registered facility service, deregister all registered trading rights in respect of that service, from the gas day specified by the contract issuer under subrule (2); and
  - (d) if the relevant service is a registered distribution service and:
    - (i) the relevant service is the only registered distribution service in respect of the STTM User's registered trading right for the relevant hub, then deregister that trading right; and
    - (ii) paragraph (d)(i) does not apply, modify the STTM User's registered trading right for the relevant hub to reflect the deregistration of that service,from the gas day specified by the contract issuer under subrule (2).

### **395A Expiry of registered distribution services**

- (1) If:
  - (a) an STTM User's registered trading right for a hub relates to more than one registered distribution service; and
  - (b) one such registered distribution service expires,then AEMO must modify the STTM User's registered trading right to reflect the expiry from the gas day on which that registered distribution service expires.
- (2) For the purposes of this rule 395A, a registered distribution service will expire on the gas day which is registered as the last gas day on which that registered distribution service will be available to the contract holder.

## **Division 6 Market Operator Service**

### **396 MOS period**

The MOS period is a period of 1 month.

### **397 MOS estimate**

- (1) AEMO must, within the time specified in the STTM Procedures before the start of a MOS period, publish for each STTM pipeline its estimate of:
  - (a) the maximum quantity of MOS (by way of increase and decrease) likely to be required on any gas day in that MOS period; and
  - (b) the range of daily quantities of MOS (by way of increase and decrease) likely to be required, together with the number of gas days in the MOS period to which each of those estimated quantities applies.
- (2) AEMO may publish updated estimates within the time specified in the STTM Procedures before the start of the MOS period.
- (3) In determining estimates or updated estimates under this rule, AEMO must comply with any requirements in the STTM Procedures.

### **398 Request for MOS increase offers and MOS decrease offers**

- (1) AEMO must, within the time period specified in the STTM Procedures before the start of a MOS period, publish a notice requesting from STTM Shippers, MOS increase offers and MOS decrease offers for each STTM pipeline.
- (2) A notice under subrule (1) must specify:
  - (a) the relevant MOS period; and
  - (b) the date by which final MOS increase offers and MOS decrease offers must be submitted to AEMO, which date will be specified in the STTM Procedures; and
  - (c) a statement that an STTM Shipper must comply with the requirements of rules 399 and 400 in respect of its MOS increase offer or MOS decrease offer; and
  - (d) any other matter reasonably required for the purposes of AEMO's functions under this Part, as specified in the STTM Procedures.

### **399 Conditions relating to MOS**

- (1) An STTM Shipper must not submit a MOS increase offer or MOS decrease offer to AEMO unless it is a trading right holder in respect of a registered facility service provided by means of the STTM pipeline to which the MOS increase offer or MOS decrease offer relates.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (2) An STTM Shipper must not submit a MOS increase offer or MOS decrease offer in respect of a MOS period unless it is entitled, under one or more registered trading rights, to increase or decrease the quantity of natural gas supplied to, or withdrawn from, a hub by that STTM Shipper through the relevant STTM pipeline in accordance with its MOS increase offer or MOS decrease offer.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (3) For the purposes of subrule (2), in determining whether an STTM Shipper is entitled to increase or decrease a quantity of natural gas supplied to, or withdrawn from, a hub, any allocation or potential allocation of overrun MOS to that STTM Shipper under rule 421 is to be disregarded.
- (4) An STTM Shipper must ensure that the condition in subrule (2) continues to be satisfied from the time the MOS increase offer or MOS decrease offer is submitted until the end of the MOS period to which the MOS increase offer or MOS decrease offer relates.
- (5) If, at any time after the submission of a MOS increase offer or a MOS decrease offer:
- (a) the STTM Shipper who submitted that offer; or
  - (b) the contract holder for a facility contract associated with that offer,

becomes aware that the condition set out in subrule (2) is no longer satisfied in respect of that offer, it must immediately notify AEMO.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (6) An STTM Shipper or other person must not:
- (a) make a nomination or renomination in respect of an STTM pipeline; or



(b) do any other thing,

for the purpose, or primary purpose, of creating or increasing a pipeline deviation for which MOS may be required.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

## **400 Making MOS increase offers or MOS decrease offers**

- (1) Subject to rule 399, an STTM Shipper may submit a MOS increase offer or MOS decrease offer, or both, in accordance with this rule 400.
- (2) MOS increase offers and MOS decrease offers must be made no later than the date specified in AEMO's notice under rule 398 but, if submitted before that date, may be revised at any time until that date.
- (3) A MOS increase offer or MOS decrease offer may only relate to one STTM pipeline.
- (4) A MOS increase offer or MOS decrease offer must comply with the requirements set out in the STTM Procedures.

## **401 MOS stacks**

- (1) AEMO must determine, in accordance with the STTM Procedures:
  - (a) which MOS increase offers (or parts of those offers) are to be included in a MOS increase stack and the order in which they are to be included; and
  - (b) which MOS decrease offers (or parts of those offers) are to be included in a MOS decrease stack and the order in which they are to be included; and
  - (c) if applicable, how MOS provided or procured as a result of the process contemplated under rule 403 is to be represented in the MOS stack,and must produce a MOS increase stack and a MOS decrease stack for each STTM pipeline containing the information set out in the STTM Procedures.
- (2) Within the time specified in the STTM Procedures before the commencement of each MOS period, AEMO must:
  - (a) publish the following information for each MOS increase offer and MOS decrease offer included in the MOS stack for that MOS period:

- (i) the relevant MOS provider; and
  - (ii) the STTM pipeline to which the MOS increase offer or MOS decrease offer relates; and
  - (iii) the prices and quantities in each price step; and
- (b) make available to each relevant STTM pipeline operator for the applicable MOS stack the following information:
  - (i) the contract holder for the facility contract associated with each MOS increase offer or MOS decrease offer; and
  - (ii) the prices and quantities in each price step; and
- (c) comply with any requirements in the STTM Procedures in relation to publishing MOS stacks and making information available to STTM pipeline operators.

#### **402 Additional requirements for MOS stacks**

- (1) If AEMO is notified:
  - (a) by STTM Shipper or relevant contract holder under rule 399(5) that the condition set out in rule 399(2) is no longer satisfied in relation to a MOS increase offer or MOS decrease offer;
  - (b) by a contract issuer under rule 395 (2) that a registered facility service referred to in a MOS increase offer or MOS decrease offer has ceased or will cease to be available to the relevant contract holder during the MOS period; or
  - (c) by an allocation agent under rule 421(6) that it has not allocated MOS to the contract holder associated with a registered facility service referred to in a MOS increase offer or MOS decrease offer,

AEMO must:

- (d) if a notification is received prior to the publication of the MOS stack for the MOS period in respect of which the relevant STTM Shipper submitted the MOS increase offer or MOS decrease offer:
  - (i) in the case of a notification referred to in paragraph (a) – disregard that MOS increase offer or MOS decrease offer and not include it in any MOS stack; or
  - (ii) in the case of a notification referred to in paragraph (b) – disregard MOS quantities associated with the relevant registered facility service and not include that MOS quantity in the MOS stack; or
- (e) if a notification is received after the publication of the MOS stack that includes the MOS increase offer or MOS decrease offer:

- (i) in the case of a notification referred to in paragraph (a) – promptly determine a revised MOS stack in accordance with rule 401(1), but disregarding that MOS increase offer or MOS decrease offer; or
  - (ii) in the case of a notification referred to in paragraph (b) – before the gas day on which the relevant registered facility service ceases to be available, determine a revised MOS stack in accordance with rule 401(1), to be effective from the gas day on which that registered facility service ceases to be available, but disregarding the MOS quantities associated with that registered facility service; or
  - (iii) in the case of a notification referred to in paragraph (c) – promptly determine a revised MOS stack in accordance with rule 401(1), but disregarding the MOS quantities associated with the relevant registered facility service.
- (2) If:
  - (a) AEMO suspends the registration of an STTM Shipper at the relevant hub; and
  - (b) that STTM Shipper has submitted a MOS decrease offer for a current or prospective MOS period,AEMO must:
  - (c) if the suspension occurs prior to the publication of a MOS decrease stack for the MOS period, disregard that MOS decrease offer and not include it in any MOS decrease stack; or
  - (d) if the suspension occurs after the publication of a MOS decrease stack that includes the MOS decrease offer, promptly determine a revised MOS decrease stack in accordance with rule 401(1), but disregarding any MOS quantity previously included in respect of that MOS decrease offer.
- (3) AEMO must publish the information in rule 401(2)(a) in respect of any revised MOS stack and make the information in rule 401(2)(b) available to the relevant STTM pipeline operator in respect of any revised MOS stack as soon as practicable.

#### **403 Procurement or provision of MOS by AEMO**

- (1) If at any time AEMO:
  - (a) determines; or
  - (b) is advised by an industry consultative committee whose terms of reference (as approved by AEMO) include the provision of advice to AEMO on matters relating to the STTM,

that the total of the MOS quantities likely to be available on an ongoing basis in respect of an STTM pipeline is materially less than the quantity required to balance the pipeline deviations that are reasonably anticipated to occur on that pipeline (a **MOS shortfall**), AEMO must investigate the circumstances of that MOS shortfall and prepare a report in accordance with subrule (2).

- (2) A report under subrule (1) must:
  - (a) state whether, in AEMO's opinion, the causes of the MOS shortfall:
    - (i) can reasonably be expected to be resolved through action taken by participants in the gas industry within a reasonable timeframe, and if so whether any changes to the rules in this Part are likely to encourage that action; or
    - (ii) are unlikely to be resolved within a reasonable timeframe unless AEMO procures or facilitates the provision of MOS; and
  - (b) if paragraph (a)(ii) applies:
    - (i) include at least one proposal on how AEMO may procure or facilitate the provision of MOS; and
    - (ii) for each such proposal, include an assessment of:
      - (A) the costs of implementing the proposal and the subsequent provision of MOS under these rules; and
      - (B) the likely impact of the proposal on the provision of MOS by STTM Shippers; and
    - (iii) indicate a recommended proposal taking into account:
      - (A) the principle that any additional costs to be paid by or recovered from Trading Participants should be minimised; and
      - (B) the principle that, as far as possible, commercial incentives for STTM Shippers to offer to provide MOS should be preserved; and
      - (C) any other matter AEMO considers relevant; and
  - (c) be published by AEMO.
- (3) If AEMO's report includes a proposal as contemplated under subrule (2)(b), AEMO must determine, in accordance with the standard consultative procedure:
  - (a) if there is more than one proposal, which of them should be implemented; and
  - (b) a process for implementing the relevant proposal, which takes into account the MOS cost cap,

and AEMO may take any action that is necessary or desirable to implement that proposal in the manner determined.

- (4) If AEMO becomes a contract holder or acquires trading rights as a result of implementing a proposal under this rule, AEMO:
  - (a) is not required to be registered as an STTM Shipper; and
  - (b) is subject to the conditions in rule 399 relating to MOS increase offers and MOS decrease offers; and
  - (c) must determine its MOS increase offers and MOS decrease offers by the relevant date specified in rule 398; and
  - (d) is to make or receive payments for MOS and MOS gas under Division 10 as if it were an STTM Shipper.

## **Division 7            Market Operations**

### **Subdivision 1        Scheduling and pricing**

#### **404            AEMO to establish SPA**

AEMO must establish and maintain the SPA to meet the requirements in rule 405 and any other requirements in the STTM Procedures, for the purpose of determining the quantities and prices to be included in schedules issued under Subdivision 2, and the ex post imbalance price under Subdivision 4.

**Note:**

The SPA may, but need not, be used to determine administered prices and quantities for schedules issued under Subdivision 6.

#### **405            General requirements**

- (1) In determining a provisional schedule, ex ante market schedule or ex post imbalance price, AEMO must schedule ex ante offers, ex ante bids and price taker bids for a hub for a gas day so as to maximise the value of ex ante bids and price taker bids (and for this purpose, price taker bids must be valued by the SPA) less the value of ex ante offers, subject to:
  - (a) the capacity limits of registered trading rights; and
  - (b) the priority and flow direction of the registered facility services associated with registered trading rights; and
  - (c) the capacity information for STTM facilities; and
  - (d) the requirement that the flow of natural gas from the hub on an STTM pipeline must be no greater than the flow of natural gas to the hub on that STTM pipeline.

- (2) The SPA must value price taker bids so that ex ante offers are scheduled to meet the quantity of all price taker bids before the quantity of any ex ante bid.
- (3) The SPA must prioritise the scheduling of ex ante offers, ex ante bids and price taker bids so as to produce only one solution when multiple possible scheduling or pricing solutions exist.
- (4) A price for natural gas in any schedule must not be less than the MMP or greater than the MPC.
- (5) AEMO must determine where no feasible scheduling solution is possible within the constraints imposed under this Division and the STTM Procedures.

**Note:**

Where there is no feasible scheduling solution by the time at which an ex ante market schedule must be issued under rule 417, an administered market state will apply in accordance with the applicable provisions of Subdivision 6.

## **Subdivision 2      Scheduling for the ex ante market**

### **406      Requirement to submit ex ante offers, ex ante bids and price taker bids**

- (1) An STTM Shipper who intends to supply a quantity of natural gas to a hub from an STTM facility on a gas day must include that quantity in an ex ante offer for that hub which:
  - (a) complies with rule 407; and
  - (b) is submitted to AEMO in accordance with rule 410.
- (2) An STTM Shipper who intends to withdraw a quantity of natural gas from a hub into an STTM facility on a gas day must include that quantity in an ex ante bid for that hub which:
  - (a) complies with rule 408; and
  - (b) is submitted to AEMO in accordance with rule 410.
- (3) An STTM User who intends to withdraw a quantity of natural gas from a hub into one or more STTM distribution systems for that hub on a gas day must include that quantity in:
  - (a) an ex ante bid for that hub; or
  - (b) to the extent that subrule (4) applies, a price taker bid for that hub, which:
    - (c) in the case of an ex ante bid, complies with rule 408; and

- (d) in the case of a price taker bid, complies with rule 409; and
  - (e) in either case, is submitted to AEMO in accordance with rule 410.
- (4) An STTM User must include the following quantities in a price taker bid for a hub:
  - (a) the quantity of natural gas which the STTM User expects to withdraw from the hub on a gas day to meet the demand of end users whose gas supply is not interruptible on a commercial and measurable basis by agreement between the STTM User and an end user; and
  - (b) any other quantity of natural gas which the STTM User intends to withdraw from the hub on a gas day, unless that quantity is included in an ex ante bid.
- (5) A Trading Participant may submit an ex ante offer or an ex ante bid for a hub in relation to any other quantity of natural gas that it is willing to supply or withdraw on a gas day.

#### **407 Ex ante offers**

- (1) Subject to rule 412(1), an ex ante offer must only relate to natural gas that the STTM Shipper intends to supply to a hub on a particular gas day if the ex ante offer is scheduled by AEMO.
- (2) An ex ante offer must comply with the requirements set out in the STTM Procedures.
- (3) Each ex ante offer must relate to a single registered trading right and at any time not more than one ex ante offer may apply to the same registered trading right for a gas day.
- (4) Ex ante offers for a gas day are confidential information until the end of that gas day.
- (5) AEMO must make the following information for each ex ante offer for a gas day available to Trading Participants and other persons authorised by AEMO, no later than 4.5 hours after the end of that gas day:
  - (a) the identity of the relevant STTM Shipper; and
  - (b) the hub and STTM facility to which the ex ante offer relates; and
  - (c) the prices and quantities in each price step,and AEMO must publish that information as soon as practicable after that time.

#### **408 Ex ante bids**

- (1) Subject to rule 412(1), an ex ante bid must only relate to natural gas that the STTM Shipper or STTM User intends to withdraw from a hub on a particular gas day if the ex ante bid is scheduled by AEMO.
- (2) An ex ante bid must comply with the requirements set out in the STTM Procedures.
- (3) Each ex ante bid must relate to a single registered trading right and at any time not more than one ex ante bid may apply to the same registered trading right for a gas day.
- (4) Ex ante bids for a gas day are confidential information until the end of that gas day.
- (5) AEMO must make the following information for each ex ante bid for a gas day available to Trading Participants and other persons authorised by AEMO, no later than 4.5 hours after the end of that gas day:
  - (a) the identity of the relevant Trading Participant; and
  - (b) the hub and (if applicable) the STTM facility to which the ex ante bid relates; and
  - (c) the prices and quantities in each price step,and AEMO must publish that information as soon as practicable after that time.

#### **409 Price taker bids**

- (1) Subject to rule 412(1), a price taker bid must only relate to natural gas that the STTM User expects to withdraw from a hub on a particular gas day.
- (2) A price taker bid must comply with the requirements set out in the STTM Procedures.
- (3) Each price taker bid must relate to a single registered trading right and at any time not more than one price taker bid may apply to the same registered trading right for a gas day.
- (4) Price taker bids for a gas day are confidential information.

#### **410 Timing of submissions of ex ante offers, ex ante bids and price taker bids**

- (1) If a Trading Participant expects to supply quantities of natural gas to, or withdraw quantities of natural gas from, a hub on a gas day, the Trading Participant must submit to AEMO in good faith:



- (a) ex ante offers, ex ante bids or price taker bids for that gas day that reflect; or
- (b) revisions to an earlier ex ante offer, ex ante bid or price taker bid for that gas day so as to reflect,

the Trading Participant's best estimate of the quantities of natural gas it expects to supply or withdraw on that gas day, as at each of the times specified in subrule (2).

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (2) Any submissions required in accordance with subrule (1) must be made no later than:
  - (a) 7.5 hours after the start of the gas day that is 3 gas days before the relevant gas day; and
  - (b) if revised or not previously submitted, 7.5 hours after the start of the gas day that is 2 gas days before that gas day; and
  - (c) if revised or not previously submitted, 5.5 hours after the start of the gas day before that gas day.
- (3) Where a Trading Participant revises an ex ante offer, ex ante bid or price taker bid in accordance with this rule, the Trading Participant is taken to have submitted a new ex ante offer, ex ante bid or price taker bid on those changed terms, which supersedes the previous ex ante offer, ex ante bid or price taker bid.

## **411 Confirmation by AEMO**

- (1) AEMO must acknowledge receipt of all ex ante offers, ex ante bids and price taker bids submitted by Trading Participants as soon as practicable after receipt.
- (2) AEMO must reject an ex ante offer, ex ante bid or price taker bid submitted by a Trading Participant unless:
  - (a) the ex ante offer, ex ante bid or price taker bid complies with the requirements in rules 407, 408 or 409 (as applicable); and
  - (b) in respect of the gas day to which the ex ante offer, ex ante bid or price taker bid relates, that Trading Participant is the trading right holder for the registered trading right to which the ex ante offer, ex ante bid or price taker bid relates; and

- (c) that Trading Participant is not subject to a condition restricting the submission of that ex ante offer, ex ante bid or price taker bid under rule 487 or 488.
- (3) If AEMO rejects an ex ante offer, ex ante bid or price taker bid under subrule (2), AEMO must inform the relevant Trading Participant as soon as practicable.

#### **412 Multiple day offers and bids**

- (1) A Trading Participant for a hub may, no later than 5.5 hours after the start of any gas day, submit either an ex ante offer or ex ante bid for that hub that relates to each gas day in a specified period commencing on or after the next gas day and otherwise complies with rules 407 or 408 (as applicable).
- (2) Rule 411 applies to a submission made under subrule (1) and, if AEMO rejects an ex ante offer or ex ante bid in relation to any one gas day within the period specified in that submission, AEMO must reject the entire submission.
- (3) For the purposes of this Part, an ex ante offer or ex ante bid referred to in subrule (1) is to be treated as a separate ex ante offer or ex ante bid for each gas day during the period to which it relates.

#### **413 Good faith for ex ante offers, ex ante bids and price taker bids**

- (1) For the purposes of rule 410(1), an ex ante offer, ex ante bid or price taker bid is submitted in good faith if, at the time of submission, the Trading Participant has a genuine intention to supply or withdraw the specified quantity of natural gas if scheduled by AEMO and if the material conditions and circumstances on which the relevant offer or bid is based remain unchanged.
- (2) The intention of the Trading Participant may be inferred from the conduct of the Trading Participant, or of any other person, or from relevant circumstances.

#### **414 Capacity information**

- (1) No later than 3 hours after the start of each gas day, an STTM facility operator must notify AEMO of the quantity of natural gas which it expects, in accordance with good gas industry practice, that the STTM facility will be able to deliver to the relevant hub on:
  - (a) the third gas day after that gas day; and
  - (b) the second gas day after that gas day; and
  - (c) the following gas day,

which must not exceed the maximum capacity specified by that STTM facility operator for that STTM facility under rule 376(1)(g).

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (2) [Deleted]
- (2A) AEMO must, in accordance with the STTM Procedures:
  - (a) validate information provided under subrule (1); and
  - (b) if information is not provided under subrule (1), or information provided under subrule (1) fails validation, use substitute information.
- (2B) An STTM facility operator must provide information in accordance with the STTM Procedures to enable AEMO to validate and substitute information in accordance with subrule (2A).
- (3) AEMO must make the most recent capacity information for each STTM facility available to Trading Participants and other persons authorised by AEMO, by the time specified in the STTM Procedures:
  - (a) on the gas day that is 3 gas days before the gas day to which that information relates; and
  - (b) on the gas day that is 2 gas days before the gas day to which that information relates; and
  - (c) on the gas day before the gas day to which that information relates,and AEMO must publish that information as soon as practicable after that time.

## **415 Issue of schedules**

- (1) In determining a provisional schedule or an ex ante market schedule for a hub and a gas day, AEMO must use:
  - (a) valid ex ante offers, ex ante bids and price taker bids for that hub and gas day submitted as at the time that is one hour before the time at which AEMO is required to issue that schedule; and
  - (b) the capacity limit of the registered trading right to which each ex ante offer, ex ante bid and price taker bid relates, as at:
    - (i) in the case of a provisional schedule – the time at which that schedule is determined; or
    - (ii) in the case of an ex ante market schedule – the time that is one hour before the time by which AEMO must issue that schedule; and

**Note:**

AEMO may only schedule ex ante offers, ex ante bids and price taker bids up to the capacity limit of the relevant registered trading right.

- (c) the available capacity information for each STTM facility for the gas day to which the schedule relates; and
  - (d) the following data for each trading right associated with an ex ante offer or ex ante bid submitted by an STTM Shipper for that hub, as at the time that is one hour before the time at which AEMO is required to issue that schedule:
    - (i) the STTM facility associated with that trading right;
    - (ii) the priority of the registered facility service associated with that trading right; and
    - (iii) the flow direction of the registered facility service associated with that trading right.
- (2) For the purposes of this rule and rules 416 and 417, a provisional schedule or an ex ante market schedule is taken to be issued when AEMO has:
- (a) determined the following details, or forecast details, for the relevant hub and gas day:
    - (i) ex ante market price; and
    - (ii) the capacity price for each relevant STTM facility; and
    - (iii) the pipeline flow direction constraint price for each relevant STTM pipeline; and
    - (iv) the market schedule quantity for each relevant registered trading right; and
    - (v) any other details required by the STTM Procedures; and
  - (b) made available to Trading Participants the following details, or forecast details, as contained in that schedule:
    - (i) the ex ante market price; and
    - (ii) the capacity price for each STTM facility at the hub; and
    - (iii) the pipeline flow direction constraint price for each STTM pipeline at the hub; and
    - (iv) any other details required by the STTM Procedures; and
  - (c) made available to each relevant Trading Participant the details of its respective market schedule quantity or forecast market schedule quantity for

each relevant registered trading right, as contained in that schedule and any other relevant details specified in the STTM Procedures.

**Note:**

A schedule is not taken to have been issued until the applicable details under paragraph (c) have been available to all Trading Participants whose market schedule quantity or forecast market schedule quantity is contained in the schedule.

- (3) AEMO must, as soon as practicable after a provisional schedule or ex ante market schedule has been issued, make available to each STTM facility operator, STTM distributor and contract holder the relevant details of that schedule (if any) specified in the STTM Procedures.
- (4) AEMO must publish the details specified in subrule (2)(b) as soon as practicable after it has made those details available to Trading Participants.

#### **416 Timing for issue of provisional schedules**

- (1) Subject to subrule (4), no later than 8.5 hours after the start of each gas day AEMO must issue a schedule (a **D-3 schedule**) for each hub for the third gas day after that gas day.
- (2) Subject to subrule (4), no later than 8.5 hours after the start of each gas day AEMO must issue a schedule (a **D-2 schedule**) for each hub for the second gas day after that gas day.
- (3) AEMO may issue a number of provisional schedules for a gas day before the time specified in subrule (1) or (2) as applicable, and each such schedule validly issued supersedes the previous provisional schedule.
- (4) If AEMO is unable to issue a provisional schedule for a gas day by the time specified in subrule (1) or (2), it must seek to issue that provisional schedule as soon as practicable after that time, but no later than:
  - (a) for a D-3 schedule – 7.5 hours after the end of the gas day; or
  - (b) for a D-2 schedule – 5.5 hours after the end of the gas day,and if AEMO does not issue the provisional schedule by that later time, AEMO:
  - (c) is not required to issue that provisional schedule; and
  - (d) must, as soon as practicable, publish a notice stating that it was unable to issue that provisional schedule.
- (5) AEMO may, before the time specified in subrule (1) or (2) as applicable, declare one or more provisional schedules previously issued under that subrule to be invalid by publishing a notice to that effect and identifying the last valid provisional schedule (if any) issued for that hub and gas day, and any schedule which is declared invalid is taken not to have been issued.

## **417 Ex ante market schedule**

- (1) Subject to subrules (5) and (6), no later than 6.5 hours after the start of each gas day AEMO must issue the ex ante market schedule for each hub for the next gas day.
- (2) AEMO may issue a number of ex ante market schedules for a gas day before the time specified in subrule (1), and each such schedule validly issued supersedes the previous ex ante market schedule.
- (3) AEMO may, before the time specified in subrule (1), declare one or more ex ante market schedules previously issued under that subrule to be invalid by publishing a notice to that effect and identifying the valid ex ante market schedule (if any) for that hub and gas day, and any schedule which is declared invalid is taken not to have been issued.
- (4) If:
  - (a) AEMO has issued an ex ante market schedule for a gas day under subrule (1); and
  - (b) has commenced, but not completed, the issue of a further ex ante market schedule for that gas day by the time specified in subrule (1);

AEMO must, as soon as practicable, publish a notice stating that the partly issued schedule is invalid and identifying the last ex ante market schedule that was validly issued for that gas day.

- (5) If AEMO is unable to issue an ex ante market schedule for a hub for a gas day in accordance with subrule (1), AEMO must, as soon as practicable, publish a notice to that effect.

### **Note:**

If AEMO is unable to issue the ex ante market schedule under this rule, it must determine that an administered price cap state applies under rule 428, or if no provisional schedule was issued for that hub and gas day, determine that a market administered scheduling state applies under rule 430. The ex ante market schedule for that hub and gas day will then be determined in accordance with the applicable rule.

- (6) The ex ante market schedule for a hub and a gas day is:
  - (a) the last schedule issued under subrule (1) for that hub and gas day; or
  - (b) if applicable, the last schedule determined for that hub and gas day under rule 428 (for an administered price cap state), rule 430 (for a market administered scheduling state) or rule 431 (for a market administered settlement state).

**Note:**

An ex ante market schedule issued under rule 428, 430 or 431 will supersede any schedule issued under this rule. In some circumstances the ex ante market schedule may be determined after the gas day (See rules 430 and 431).

### **Subdivision 3      Allocations**

#### **418      Ownership, risk and responsibility for gas**

- (1) Each STTM Shipper unconditionally and irrevocably authorises AEMO to effect the transfer of title to natural gas supplied by it to a hub and to determine the identity of the transferees in accordance with this rule.
- (2) Title to, custody and control of, and risk of loss of natural gas supplied to a hub passes at each custody transfer point:
  - (a) from the Trading Participants who are taken to have supplied natural gas to that custody transfer point,
  - (b) to the Trading Participants who are taken to have withdrawn natural gas from the hub,

in the respective quantities determined in accordance with this Subdivision.

- (3) Each STTM Shipper must ensure that natural gas supplied by it to a hub complies with the gas quality specification for that hub, unless otherwise agreed in writing by the relevant STTM distributor or specifically authorised under a law of the relevant adoptive jurisdiction.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (4) Each trading right holder in respect of a registered facility service for the delivery of natural gas to the Sydney hub must provide to the STTM distributor on request information, records and access to facilities that:
  - (a) the STTM distributor reasonably requires in order to verify that the natural gas supplied by the trading right holder complies with the gas quality specification and that reasonable precautions are in place to prevent the delivery of natural gas that does not comply with the gas quality specification; and
  - (b) are consistent with the rights the STTM distributor would have in respect of such information, records and access under the terms and conditions of access approved in that STTM distributor's applicable access arrangement.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (5) An STTM User who is not also a trading right holder described in subrule (4) has no liability to provide the information, records or access to facilities described in subrule (4) to the STTM distributor at the Sydney hub
- (6) AEMO has no liability to any person in respect of the quality or suitability for any purpose of natural gas supplied to, or withdrawn from, a hub.

## **419 STTM facility allocations**

- (1) No later than 4.5 hours after the start of each gas day, the allocation agent for an STTM facility must give AEMO an allocation notice for the immediately preceding gas day that meets the requirements in subrule (2).
- (2) An allocation notice must contain, for the relevant gas day:
  - (a) for each registered facility service provided by means of that STTM facility:
    - (i) the STTM facility allocation for that registered facility service, which must not be less than zero; and

**Note:**

An STTM facility allocation must be provided for each registered facility service in respect of the relevant STTM facility, even if that allocation is zero.

- (ii) the quantity of MOS gas allocated to that registered facility service in accordance with rule 421 (such quantity being included in the STTM facility allocation); and
    - (iii) the quantity of overrun MOS allocated to that registered facility service in accordance with rule 421 (such quantity being included in the quantity of MOS gas); and

**Note:**

The quantity of MOS gas or overrun MOS may be zero.

- (b) for each MOS increase stack and/or MOS decrease stack:
      - (i) the details of each price step in the relevant MOS stack to which MOS gas was allocated under rule 421(1)(a), including:
        - (A) the identifier of that price step, as specified in the MOS stack; and
        - (B) the quantity of MOS gas allocated to that price step; or
      - (ii) a statement that no MOS gas was allocated,
    - (a **MOS step allocation**); and
  - (c) any other matter reasonably required for the purposes of AEMO's functions under this Part, as specified in the STTM Procedures.



- (2A) AEMO must, in accordance with the STTM Procedures:
  - (a) validate information provided under subrule (1); and
  - (b) if information is not provided under subrule (1), or information provided under subrule (1) fails validation, use substitute information.
- (2B) The allocation agent for an STTM facility must provide information in accordance with the STTM Procedures to enable AEMO to validate and substitute information in accordance with subrule (2A).
- (3) AEMO must reject an allocation notice if:
  - (a) it does not comply with subrule (2); or
  - (b) the total quantity of MOS gas specified in the MOS step allocation for a registered facility service (if any) does not equal the quantity of MOS gas, excluding overrun MOS, specified for that registered facility service under subrule (2)(a).
- (4) An allocation agent must provide AEMO with an updated allocation notice for each gas day in a billing period, (collectively, a **billing period allocation statement**) at each of the times specified in the STTM Procedures.
- (5) Subrule (3) applies to each allocation notice in a billing period allocation statement and, if AEMO rejects an allocation notice for any one gas day, AEMO must reject the entire billing period allocation statement.
- (6) [Deleted]
- (7) If the allocation agent for an STTM facility does not give AEMO a valid billing period allocation statement under subrule (4) by the last time specified in the STTM Procedures before the date on which revised statements for the relevant billing period are to be issued under rule 473:
  - (a) AEMO must request the STTM facility operator to provide a valid billing period allocation statement within one business day; and
  - (b) the STTM facility operator must comply with a request made under paragraph (a); and

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (c) if the STTM facility operator does not comply with that request, AEMO must:

- (i) publish a notice of that fact as soon as practicable; and
  - (ii) for the purposes of the revised statements, use the last valid STTM facility allocation for each gas day in that billing period.
- (8) An allocation agent may give AEMO an updated allocation notice for a gas day in accordance with subrule (2) at any time before the 2nd business day after the end of the 9th billing period after the billing period in which that gas day occurs.
- (9) AEMO must reject an updated allocation notice if it does not comply with subrule (2).

## **420 Registered facility service allocations**

- (1) As soon as practicable after receiving a valid STTM facility allocation, billing period allocation statement or updated allocation notice, or determining an STTM facility allocation for a gas day under rule 419, AEMO must make available to the contract holder for a registered facility service the quantity of natural gas allocated to that registered facility service in the STTM facility allocation (or updated allocation) for that gas day.
- (2) The allocation agent for a registered facility service must:
  - (a) no later than 4.5 hours after the start of each gas day, give AEMO an allocation notice in respect of the immediately preceding gas day that meets the requirements in subrule (3); and
  - (b) within one business day of AEMO making an updated allocation quantity available to the contract holder under subrule (1), give AEMO an updated allocation notice in respect of the gas day (or each gas day in the relevant billing period), that meets the requirements in subrule (3).
- (3) An allocation notice for a registered facility service must contain, for the gas day (or each gas day in the billing period) to which the notice relates:
  - (a) the registered facility service allocation for each registered trading right that relates to the registered facility service; and

### **Note:**

A registered facility service allocation must be provided for each registered trading right in respect of the relevant registered facility service, even if that allocation is zero.

- (b) the quantity of MOS and overrun MOS allocated to the registered facility service, which must be allocated:
    - (i) in the case of MOS, to the relevant STTM Shipper's registered trading rights;
    - (ii) in the case of overrun MOS, to the contract holder's registered trading right; and

- (c) any other matter reasonably required for the purposes of AEMO's functions under this Part, as specified in the STTM Procedures.
- (4) AEMO must reject an allocation notice if:
  - (a) it does not comply with subrule (3); or
  - (b) the sum of the registered facility service allocations for each registered trading right, or any MOS and overrun MOS allocated to the contract holder's trading right, is not equal to the quantity notified to the contract holder by AEMO under subrule (1); or
  - (c) it includes a registered facility service allocation for a person who is not a trading right holder in respect of the registered facility service.
- (5) Subject to subrule (6), if:
  - (a) there is no allocation agent for a registered facility service; or
  - (b) the allocation agent for a registered facility service does not give AEMO an allocation notice for a gas day under subrule (2); or
  - (c) AEMO rejects an allocation notice under subrule (4),then AEMO must determine the registered facility service allocation for each registered trading right for each relevant gas day in respect of that registered facility service as if:
  - (d) each trading right holder who is not the contract holder in respect of the registered facility service had supplied or withdrawn its market schedule quantity for that registered trading right for that gas day; and
  - (e) the contract holder in respect of the registered facility service had:
    - (i) supplied or withdrawn the quantity of natural gas (excluding MOS gas) allocated to the registered facility service, less the quantity of natural gas allocated to all other trading right holders in respect of that registered facility service under paragraph (d); and
    - (ii) provided any MOS gas allocated to the registered facility service.
- (6) If the allocation agent for a registered facility service does not give AEMO a valid allocation notice under subrule (2)(b) in relation to the last billing period allocation statement provided (in accordance with the STTM Procedures) before the date on which revised statements for the relevant billing period are to be issued under rule 473:
  - (a) AEMO must request the contract holder for the relevant registered facility service to provide a valid allocation notice within one business day; and
  - (b) the contract holder must comply with a request made under paragraph (a); and

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (c) if the contract holder does not comply with that request, AEMO may determine a registered facility service allocation for that registered facility service under subrule (5).
- (7) An allocation agent may provide AEMO with an updated allocation notice for a gas day in accordance with subrule (3) at any time before the 2nd business day after the end of the 9th billing period after the billing period in which that gas day occurs.
- (8) Subrule (4) applies, with necessary modifications, to an updated allocation notice provided to AEMO under subrule (7).
- (9) Where an allocation agent provides AEMO with an allocation notice under subrule (2) or (7), the allocation agent must also provide each trading right holder in respect of that registered facility service with the registered facility service allocation for its registered trading right.

## **421 Allocation of pipeline deviations (MOS)**

- (1) Subject to subrules (4) and (5), if there is a pipeline deviation for a gas day for an STTM pipeline, the allocation agent for that STTM pipeline must, in preparing the STTM facility allocations for registered facility services that are provided by means of that STTM pipeline, allocate that pipeline deviation to STTM Shippers:
  - (a) as MOS, in accordance with the applicable MOS stack for the relevant MOS period, to the extent that sufficient MOS quantities are available in the MOS stack; and
  - (b) where there are no available MOS quantities for that STTM pipeline, as overrun MOS in accordance with any applicable allocation agreement or arrangement for that STTM pipeline.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (2) The allocation agent for an STTM pipeline must allocate MOS under subrule (1)(a):
  - (a) to a registered facility service registered to the STTM Shipper associated with the relevant MOS quantity; and

- (b) on a pro rata basis as between two or more price steps in the MOS stack which have the same price.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (3) The allocation agent for an STTM pipeline must allocate overrun MOS under subrule (1)(b) to a registered facility service that is provided under a facility contract in respect of which the relevant STTM Shipper is the contract holder.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (4) An allocation agent must not allocate a part of a pipeline deviation for a gas day for an STTM pipeline to an STTM Shipper as MOS or overrun MOS under subrule (1) if:

- (a) the contract issuer has notified AEMO under rule 395 that the registered facility service to which pipeline deviations would otherwise be allocated has ceased to be available; or
- (b) the allocation of that quantity to the relevant registered facility service would result in the STTM facility allocation for that service being a quantity less than 0GJ.

**Example:**

If the STTM facility allocation for a registered facility service for flow to the hub is 100 before the allocation of pipeline deviations, the aggregate quantity allocated to that same service from the MOS decrease stack and any overrun MOS cannot exceed 100.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (5) An allocation agent is not required to allocate a part of a pipeline deviation for an STTM pipeline for a gas day to an STTM Shipper as MOS under subrule (1)(a):

- (a) in accordance with a MOS increase stack if the allocation of that quantity would result in the total quantity of MOS allocated to that STTM Shipper for that STTM pipeline and gas day exceeding:
  - (i) the sum of the MOS quantity for all price steps for that STTM Shipper's MOS increase offer as specified in the MOS increase stack; less
  - (ii) the quantity of overrun MOS allocated to that STTM Shipper on that STTM pipeline on the previous gas day to increase the flow of natural gas to the hub; or

- (b) in accordance with a MOS decrease stack if the allocation of that quantity would result in the total quantity of MOS allocated to that STTM Shipper for that STTM pipeline and gas day exceeding:
    - (i) the sum of the MOS quantity for all price steps for that STTM Shipper's MOS decrease offer as specified in the MOS decrease stack; less
    - (ii) the quantity of overrun MOS allocated to that STTM Shipper on that STTM pipeline on the previous gas day to decrease the flow of natural gas to the hub; or
  - (c) if that quantity cannot otherwise be allocated to an STTM Shipper in accordance with the terms of an applicable facility contract.
- (6) If an allocation agent does not allocate a part of a pipeline deviation to an STTM Shipper for the reason specified in subrule (5)(c), the allocation agent must notify AEMO of that fact and the name of the STTM Shipper as soon as practicable.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

## **422 STTM distribution system allocations**

- (1) No later than 4.5 hours after the start of each gas day, AEMO must determine for each hub, for the immediately preceding gas day, the STTM distribution system allocation for each STTM User who has a registered trading right for the hub, in accordance with the STTM Procedures.
- (2) **[Deleted]**
- (3) The STTM Procedures must include a method by which AEMO must scale the quantities allocated to each STTM User who has a registered distribution service at a hub, so that the aggregate quantity of natural gas allocated to STTM Users at that hub on a gas day equals the net quantity of natural gas supplied to that hub on that gas day, as specified in STTM facility allocations.
- (4) AEMO must determine an updated STTM distribution system allocation for each STTM User who has a registered distribution service at the hub for each gas day in a billing period at each of the times specified in the STTM Procedures.
- (5) AEMO must update an STTM distribution system allocation for a gas day under subrule (1) in accordance with the STTM Procedures.

## 423 Market schedule variations

- (1) A Trading Participant (the **originating Participant**) may submit a proposed market schedule variation in respect of a hub and a gas day to AEMO within the time period specified in the STTM Procedures.
- (2) A proposed market schedule variation submitted to AEMO under subrule (1) must contain the information set out in the STTM Procedures about:
  - (a) the nature and quantity of the proposed market schedule variation; and
  - (b) the originating Participant whose modified market schedule quantity is to reflect the proposed market schedule variation; and
  - (c) the Trading Participant whose modified market schedule quantity will reflect the same proposed market schedule variation (the **receiving Participant**).

**Note:**

The originating Participant and receiving Participant may be the same Trading Participant.

- (3) The originating Participant is to be determined in accordance with the STTM Procedures.
- (4) AEMO must reject a proposed market schedule variation if it does not comply with the requirements of subrule (2) or the STTM Procedures.
- (5) Unless AEMO rejects a proposed market schedule variation under subrule (4), AEMO must:
  - (a) if the originating Participant and receiving Participant are the same Trading Participant – use that market schedule variation in determining the modified market schedule; or
  - (b) if the originating Participant and receiving Participant are not the same Trading Participant – make the details of the proposed market schedule variation available to the receiving Participant as soon as practicable for confirmation in accordance with the STTM Procedures, and:
    - (i) if the receiving Participant confirms the proposed market schedule variation within the time period specified in the STTM Procedures, AEMO must use that confirmed market schedule variation in determining the modified market schedule; or
    - (ii) in any other case, the proposed market schedule variation will expire and must not be used by AEMO in determining the modified market schedule.

- (6) AEMO must make information regarding the status of a proposed market schedule variation available to the originating Participant and the receiving Participant within the time period specified in the STTM Procedures.

#### **424 MOS allocation service costs**

- (1) An STTM pipeline operator that wishes to recover its MOS allocation service costs must give AEMO:
  - (a) an estimate of those costs, no later than 31 January prior to the invoice period; and
  - (b) a tax invoice in respect of its MOS allocation service costs during the previous invoice period, no later than 20 business days after the start of the invoice period.
- (1A) An STTM pipeline operator must, in accordance with the STTM Procedures, provide AEMO with reasonable evidence to demonstrate that:
  - (a) the estimate referred to in subrule (1)(a) is reasonable; and
  - (b) it has incurred the costs specified in its tax invoice issued under subrule (1)(b).
- (2) AEMO must, within 5 business days after receipt of any estimate and evidence received under subrule (1), publish the estimate and evidence.
- (3) If at any time an STTM pipeline operator expects that its actual MOS allocation service costs in any period will vary materially from the costs specified in its estimate for that period under subrule (1), the STTM pipeline operator must give AEMO a revised estimate and a statement of reasons for the variation as soon as practicable, and AEMO must publish that revised estimate and statement.
- (4) [Deleted]
- (5) [Deleted]
- (6) An STTM pipeline operator must not give AEMO a tax invoice under subrule (1)(b) which includes an amount that the STTM pipeline operator has recovered, or is entitled to recover, from an STTM Shipper or any other person either at law (other than under this Part or the NGL) or under any contract, arrangement or understanding, or pursuant to an access arrangement.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.



## **425 Payment of MOS allocation service costs**

- (1) AEMO must, within 5 business days after receipt of a tax invoice and evidence received under rule 424(1)(b) and (1A)(b):
  - (a) publish the invoice and evidence, subject to the provisions of the *Law* about the disclosure of protected information; and
  - (b) specify a period of at least 10 business days during which any person may provide AEMO with comments on the invoice, including any objection to the payment of that invoice.

### **Note**

Information identified as confidential and given to AEMO is protected information: See section 91G of the *NGL*. Under section 91GE of the *NGL* AEMO is authorised to disclose documents with the omission of protected information.

- (2) AEMO must, within 5 business days after the end of the period referred to in subrule (1)(b), give the AER:
  - (a) a copy of the tax invoice and evidence provided to it under rule 424(1)(b) and (1A)(b);
  - (b) a copy of any comments received under subrule (1); and
  - (c) any comment by AEMO on either the invoice or evidence received under subrule (1).
- (3) The AER must, within 30 business days after receipt of documents under subrule (2), determine the amount payable to a STTM pipeline operator in respect of the tax invoice received under rule 424(4) by reviewing whether the costs specified in that invoice:
  - (a) have been incurred; and
  - (b) are reasonable,having regard to:
  - (c) any comments received by AEMO, including objections to the payment of the invoice, under subrule (1);
  - (d) any comments from AEMO;
  - (e) any information received in accordance with a request or relevant notice issued by the AER;
  - (f) any other relevant information; and
  - (g) whether the likely costs of undertaking an assessment of the costs specified in the invoice outweigh the public benefit resulting from such assessment.

- (3A) In making a determination under subrule (3), the AER must:
- (a) either approve or reject the amount specified in the invoice; and
  - (b) if it rejects the amount specified in the tax invoice, undertake an assessment to determine an amount payable that, in the AER's opinion, is reasonable for the MOS allocation services in respect of that invoice.
- (3B) The AER must publish the reasons for its determination under subrule (3).
- (3C) In relation to the time limits fixed in subrule (3), any period taken by a person to provide information to the AER pursuant to a notice or request issued under subrule (3)(f) is to be disregarded for the purposes of calculating elapsed time.
- (4) AEMO must pay the STTM pipeline operator:
- (a) if the AER has approved the amount specified in the invoice, that amount; or
  - (b) otherwise, the amount assessed by the AER in lieu of the invoice amount,
- as determined under subrule (3), within 10 business days of the AER publishing its determination.
- (5) [Deleted]

## **Subdivision 4 Ex post imbalance price**

### **426 Ex post imbalance price**

- (1) Subject to subrule (1A), AEMO must, no later than 5.5 hours after the start of each gas day, make the ex post imbalance price for each hub for the immediately preceding gas day available to Trading Participants, and must publish that ex post imbalance price as soon as practicable after that time.
- (1A) Subject to subrule (1B), if on a gas day:
- (a) information provided under rule 419(1) fails a validation undertaken by AEMO in accordance with the STTM Procedures; and
  - (b) AEMO reasonably considers that the information referred to in paragraph (a) may be substituted in accordance with the STTM Procedures; or
  - (c) no information is provided under rule 419(1),
- then AEMO must, with respect to the relevant hub:
- (d) notify Trading Participants by no later than 5.5 hours after the start of the relevant gas day that the publication of the ex post imbalance price has been delayed; and

- (e) comply with subrule (1) as if "5.5 hours" was omitted from that subrule and substituted with "9.5 hours".
  - (1B) Subrule (1A) does not apply for a hub for a gas day if a market administered scheduling state or market administered settlement state applies for that hub and gas day.
- Note**
- If AEMO does not comply with subrule (1) and subrule (1A) does not apply, then rule 429 will apply.
- (2) Subject to rules 428, 430 and 431, AEMO must determine the ex post imbalance price for a hub for a gas day in accordance with the STTM Procedures.

## **Subdivision 5      Effect of scheduling errors and dispute resolution processes**

### **427      Effect of scheduling errors and dispute resolution processes**

- (1) If it is agreed or determined under Division 9 that a scheduling error has occurred in relation to the scheduling of ex ante offers, ex ante bids or price taker bids, each schedule and all quantities and prices to which that scheduling error relates will not be changed (and will remain valid), but a Trading Participant may be entitled to compensation in accordance with Division 9.

**Note:**

Division 9 provides that an agreement or determination in relation to a scheduling error is to be made in accordance with the dispute resolution processes, which allow any affected Trading Participant to become a party to the dispute.

- (2) Ex ante market prices, capacity prices, pipeline flow direction constraint prices and ex post imbalance prices published by AEMO under this Part must not be changed by any determination of a dispute resolution panel or an agreement for the settlement of a dispute under Part 15C.

**Note:**

This subrule does not preclude the making of payments between AEMO, Trading Participants or other persons for the purposes of settling a dispute, which may be calculated on the basis of an adjusted price

## **Subdivision 6      Administered Market States**

### **428      Administered price cap state**

- (1) AEMO must determine that an administered price cap state applies for a hub for a gas day if:

- (a) AEMO determines that it will not be able to issue an ex ante market schedule by 6.5 hours after the start of the previous gas day, but at least one provisional schedule has been issued for that hub and gas day; or
- (b) by 6.5 hours after the start of the previous gas day, AEMO determines, in accordance with the STTM Procedures, that the cumulative price threshold is exceeded in respect of that gas day; or
- (c) AEMO determines, in accordance with the STTM Procedures, that technical or operational conditions in a pipeline or facility have materially affected the ability of Trading Participants on that gas day:
  - (i) to supply or withdraw natural gas at that hub; or
  - (ii) to supply natural gas from the STTM distribution system to end users; or
- (d) where AEMO becomes aware that a RoLR will assume responsibility for customers of an STTM User at the hub with effect from that gas day – AEMO determines that to be a minor retailer of last resort event in accordance with the STTM Procedures.

**Note:**

A determination under paragraph (c) or (d) may be made after 6.5 hours after the start of the previous gas day. See subrule (4).

- (2) If AEMO makes a determination under subrule (1) for a hub and a gas day by 6.5 hours after the start of the previous gas day:
  - (a) the ex ante market price must not exceed the administered price cap; and
  - (b) the capacity price for each STTM facility is the amount by which the ex ante market price (after the application of paragraph (a)) exceeds the lesser of:
    - (i) the administered price cap; and
    - (ii) the amount by which the ex ante market price (prior to the application of paragraph (a)) exceeds the capacity price (prior to the application of this subrule); and
  - (c) if subrule (1)(a) applies – AEMO must use the last provisional schedule issued under rule 416 as the ex ante market schedule, subject to paragraphs (a) and (b).
- (3) If subrule (2) applies, AEMO must, by 6.5 hours after the start of the previous gas day:
  - (a) issue an ex ante market schedule that complies with subrule (2); or

- (b) make a notice of the relevant determination available to Trading Participants, and, as soon as practicable after that time, issue an ex ante market schedule that complies with subrule (2).
- (4) If AEMO makes a determination under subrule (1)(c) or (d) for a hub and a gas day at or after 6.5 hours after the start of the previous gas day, the ex ante market schedule for that hub and gas day is:
  - (a) the last schedule issued for that hub and gas day under rule 417(1); or
  - (b) if applicable, the last schedule determined for that hub and gas day under rule 428(3), 430 or 431.
- (5) For each gas day for which an administered price cap state for a hub applies, each of:
  - (a) the ex post imbalance price; and
  - (b) the high contingency gas price; and
  - (c) the low contingency gas price,must not be greater than the administered price cap.
- (6) An administered price cap state for a hub:
  - (a) under subrule (1)(a), (b) or (c) – applies for the whole of the gas day for which it is determined;
  - (b) under subrule (1)(d) – applies from the commencement of the gas day for which it is determined and expires at the end of the gas day commencing 10 business days afterwards.
- (7) AEMO must publish a determination under subrule (1) as soon as practicable.

## **429 Administered ex post pricing state**

- (1) AEMO must determine that an administered ex post pricing state applies for a hub for a gas day if AEMO does not make the ex post imbalance price for that hub and gas day available to Trading Participants under rule 426.
- (2) For each hub and gas day for which an administered ex post pricing state applies, the ex post imbalance price is equal to the lesser of the ex ante market price for that hub and gas day and the administered price cap.
- (3) An administered ex post pricing state for a hub applies for the whole of a gas day for which it is determined.
- (4) AEMO must publish a determination under subrule (1) as soon as practicable.

## 430 Market administered scheduling state

- (1) AEMO must determine that a market administered scheduling state applies for a hub for a gas day if:
  - (a) neither a provisional schedule nor an ex ante market schedule has been issued for that hub and gas day under rule 416, 417(1) or 428(3) respectively;
  - (b) before AEMO issues an ex ante market schedule for that gas day under rule 417(1):
    - (i) AEMO becomes aware that a retailer of last resort will assume responsibility for customers of an STTM User at the hub with effect from that gas day and AEMO determines that to be a major retailer of last resort event in accordance with the STTM Procedures; or
    - (ii) AEMO is notified of a Government direction that will affect the hub on that gas day; or
  - (c) a market administered settlement state under rule 431(1)(a) applies at the hub for the gas day immediately preceding that gas day.
- (2) For each gas day for which a market administered scheduling state for a hub applies:
  - (a) AEMO will not issue an ex ante market schedule before that gas day, but after that gas day AEMO must determine, in accordance with the STTM Procedures, a schedule that is taken to be the ex ante market schedule for that hub for that gas day, in which:
    - (i) the ex ante market price is calculated as:

$$\left( \sum_{t=T-30, T-1} \text{MIN}(\text{APC}_T, \text{Price}_t) \right) / 30$$

Where

$\text{APC}_T$  is the administered price cap on gas day  $T$ ; and

$\text{MIN}(\text{APC}_T, \text{Price}_t)$  is the lesser of the value of  $\text{APC}_T$  and the value of  $\text{Price}_t$ ; and

$\text{Price}_t$  is the ex ante market price for gas day  $t$ ; and

$T$  is next gas day; and

$t$  is a label for gas days; and

- (ii) the capacity price for each STTM facility at that hub for that gas day is \$0/GJ; and

- (iii) the pipeline flow direction constraint price for each STTM pipeline at that hub for that gas day is \$0/GJ; and
    - (iv) the market schedule quantity for each registered trading right that relates to that hub for that gas day is determined using the information that AEMO uses for settlement, in accordance with the STTM Procedures; and
  - (b) each of:
    - (i) the ex post imbalance price; and
    - (ii) if contingency gas is scheduled for that hub and gas day – the high contingency gas price and/or the low contingency gas price (as applicable),
- is equal to the ex ante market price as determined under paragraph (a)(i).
- (3) A market administered scheduling state for a hub under subrule (1)(a) or (1)(b)(ii) applies for the whole of a gas day for which it is determined.
- (4) A market administered scheduling state for a hub under subrule (1)(b)(i) or (1)(c) applies from the commencement of the gas day for which it is determined, and expires at the end of the gas day ending on the 20th business day after the gas day on which the RoLR first assumed responsibility for the relevant customers.
- (5) AEMO must publish a determination under subrule (1) as soon as practicable.

#### **431 Market administered settlement state**

- (1) AEMO must determine that a market administered settlement state applies for a hub for a gas day if, after AEMO issues an ex ante market schedule for that gas day under rule 417(1):
  - (a) AEMO becomes aware that a RoLR will assume responsibility for customers of an STTM User with effect from that gas day and AEMO determines that to be a major retailer of last resort event in accordance with the STTM Procedures; or
  - (b) AEMO is notified of a Government direction that will affect the hub on that gas day
- (2) For each gas day for which a market administered settlement state for a hub applies:
  - (a) AEMO must disregard the ex ante market schedule previously issued for that gas day; and
  - (b) AEMO must determine, in accordance with the STTM Procedures, a schedule that is taken to be the ex ante market schedule for that hub for that gas day, in which:

- (i) the ex ante market price is the lesser of the ex ante market price specified in the previously issued ex ante market schedule and the administered price cap; and
  - (ii) the capacity price for each STTM facility at that hub for that gas day is \$0/GJ; and
  - (iii) the pipeline flow direction constraint price for each STTM pipeline at that hub for that gas day is \$0/GJ; and
  - (iv) the market schedule quantity for each registered trading right that relates to that hub for that gas day is determined using the information that AEMO uses for settlement, in accordance with the STTM Procedures; and
- (c) each of:
- (i) the ex post imbalance price; and
  - (ii) if contingency gas is scheduled for that hub and gas day – the high contingency gas price and/or the low contingency gas price (as applicable),

is equal to the ex ante market price determined under paragraph (b)(i).

- (3) A market administered settlement state for a hub applies for the whole of a gas day for which it is determined.
- (4) AEMO must publish a determination under subrule (1) as soon as practicable.

## **432 Cumulative price threshold**

For each hub on each gas day AEMO must determine, in accordance with the STTM Procedures, whether the cumulative price threshold is exceeded for the CPT horizon ending on that gas day.

## **433 Trading Participant claims in respect of application of administered market states**

A Trading Participant may make a claim in accordance with rule 465 for loss incurred in respect of:

- (a) a quantity of natural gas (other than contingency gas) supplied to a hub if, due to the application of rule 428 or 431, the net amount per GJ payable to that Trading Participant in respect of that quantity under Division 10, is less than the price specified for that quantity in its ex ante offer; and
- (b) contingency gas provided to a hub if, due to the application of rule 428, 430 or 431, the high contingency gas price is less than the price specified in its contingency gas offer.



## **Division 8 Contingency Gas**

### **Subdivision 1 Contingency Gas Offers and Bids**

#### **434 Details to be provided**

- (1) A Trading Participant must provide AEMO with the contact details reasonably required by AEMO for the purpose of confirming and scheduling contingency gas offers or contingency gas bids under this Division.
- (2) A Trading Participant must provide AEMO with updated contact details as soon as practicable after any change to those details.

#### **435 Contingency gas offers**

- (1) An STTM Shipper may submit a contingency gas offer to provide contingency gas at a hub on a gas day by either:
  - (a) supplying a quantity, or an additional quantity, of natural gas to the hub from an STTM facility on that gas day; or
  - (b) decreasing the quantity of natural gas it withdraws from the hub into an STTM pipeline on that gas day.
- (2) An STTM User may submit a contingency gas offer to provide contingency gas at a hub on a gas day by decreasing the quantity of natural gas it withdraws from the hub into an STTM distribution system on that gas day.
- (3) Each contingency gas offer for a hub and a gas day must:
  - (a) if submitted by an STTM Shipper, relate to only one direction of flow on one STTM facility for that gas day; and
  - (b) comply with the requirements set out in the STTM Procedures.
- (4) A contingency gas offer must be submitted in good faith and represent the Trading Participant's best estimate of the quantity of contingency gas it expects to be able to provide at the hub on that gas day should AEMO schedule that contingency gas.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (5) The STTM Procedures may specify the basis on which the Trading Participant should make its estimate under subrule (4) for the purposes of a contingency gas offer.
- (6) A contingency gas offer for a hub and a gas day must be submitted to AEMO before 6:00pm on the preceding gas day, but if submitted before that time, may be revised at any time until that time
- (7) Contingency gas offers for a gas day are confidential information until the end of the gas day to which they relate.
- (8) AEMO must publish each contingency gas offer for a gas day, including the identity of the Trading Participant who submitted that contingency gas offer, in accordance with the STTM Procedures.

#### **436 Contingency gas bids**

- (1) An STTM Shipper may submit a contingency gas bid to provide contingency gas at a hub on a gas day by either:
  - (a) decreasing the quantity of natural gas it supplies to that hub from an STTM facility on that gas day; or
  - (b) withdrawing a quantity, or an additional quantity, of natural gas from the hub into an STTM pipeline on that gas day.
- (2) An STTM User may submit a contingency gas bid to provide contingency gas at a hub on a gas day by increasing the quantity of natural gas it withdraws from that hub into an STTM distribution system on that gas day.
- (3) Each contingency gas bid for a hub and a gas day must:
  - (a) if submitted by an STTM Shipper, relate to only one direction of flow on one STTM facility for that gas day; and
  - (b) comply with the requirements set out in the STTM Procedures.
- (4) A contingency gas bid must be submitted in good faith and represent the Trading Participant's best estimate of the quantity of contingency gas it expects to be able to provide at the hub on that gas day should AEMO schedule that contingency gas.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (5) The STTM Procedures may specify the basis on which the Trading Participant should make its estimate under subrule (4) for the purposes of a contingency gas bid.
- (6) A contingency gas bid for a hub and a gas day must be submitted to AEMO before 6:00pm on the preceding gas day, but if submitted before that time, may be revised at any time until that time.
- (7) Contingency gas bids for a gas day are confidential information until the end of the gas day to which they relate.
- (8) AEMO must publish each contingency gas bid for a gas day, including the identity of the Trading Participant who submitted that contingency gas bid, in accordance with the STTM Procedures.

#### **437 Confirmation by AEMO**

- (1) AEMO must acknowledge receipt of all contingency gas offers and contingency gas bids submitted by Trading Participants as soon as practicable.
- (2) AEMO must reject a contingency gas offer or contingency gas bid submitted by a Trading Participant unless:
  - (a) the contingency gas offer or contingency gas bid complies with the requirements of:
    - (i) in the case of a contingency gas offer – rules 435(3) and (6); or
    - (ii) in the case of a contingency gas bid – rules 436(3) and (6); and
  - (b) the Trading Participant is registered in the registrable capacity to which the contingency gas offer or contingency gas bid relates; and
  - (c) in the case of a contingency gas bid, the Trading Participant is not subject to a condition restricting the submission of that bid under rule 487 or 488.
- (3) If AEMO rejects a contingency gas offer or contingency gas bid under subrule (2), AEMO must inform the relevant Trading Participant as soon as practicable.

#### **438 Multiple-day contingency gas offers and contingency gas bids**

- (1) A Trading Participant for a hub may, before 6:00pm on any gas day, submit a contingency gas offer or contingency gas bid for that hub that relates to each gas day in a specified period commencing on or after the next gas day and otherwise complies with rule 435 or rule 436 (as applicable).
- (2) Rule 437 applies to a submission made under subrule (1), except that if AEMO rejects a contingency gas offer or contingency gas bid in relation to any one gas day within the period specified in that submission, AEMO must reject the entire submission.

- (3) For the purposes of this Part, a contingency gas offer or contingency gas bid referred to in subrule (1) is to be treated as a separate contingency gas offer or contingency gas bid for each gas day during the period to which it relates.

#### **439 Good faith for contingency gas offers and contingency gas bids**

- (1) For the purposes of rules 435(4), 436(4) and 445(3), a contingency gas offer or contingency gas bid is submitted, confirmed or revised in good faith if, at the time of submission, confirmation or revision, the Trading Participant has a genuine intention to provide the specified quantity of contingency gas if scheduled by AEMO and if the material conditions and circumstances on which the contingency gas offer or contingency gas bid is based remain unchanged.
- (2) The intention of the Trading Participant may be inferred from the conduct of the Trading Participant, or of any other person, or from relevant circumstances.

### **Subdivision 2 Contingency gas trigger event**

#### **439A Application**

In this Subdivision and STTM Procedures made for the purposes of this Subdivision, a reference to:

- (a) an STTM distribution system excludes a facility referred to in rule 372A(3)(a); and
- (b) an STTM distributor excludes a user referred to in rule 372A(3)(c).

#### **440 Contingency gas trigger event**

- (1) Each of the following events is a contingency gas trigger event:
  - (a) a forecast of pressure conditions under or over acceptable operating levels at a hub or custody transfer point; and
  - (b) a forecast inability of an STTM facility to meet the normal seasonal levels of daily delivery capacity to the hub; and
  - (c) an event upstream of an STTM distribution system that could reasonably be expected to adversely affect the supply of natural gas to that STTM distribution system; and
  - (d) AEMO issues an ex ante market schedule or a provisional schedule for a hub for a gas day which indicates that price taker bids will not be fully scheduled due to inadequate supply of natural gas to that hub on that gas day.

**Note:**

The occurrence of a contingency gas trigger event requires AEMO to commence a consultation process to determine whether to call for the provision of contingency gas at that hub on a gas day, but may not necessarily require AEMO to schedule contingency gas.

- (2) A Trading Participant, STTM distributor or STTM facility operator must:
- (a) notify AEMO as soon as practicable after becoming aware that a contingency gas trigger event under subrule (1)(a), (b) or (c) has occurred; and
  - (b) if requested by AEMO, provide information to AEMO about contingency gas trigger events and responses to those events as required by the STTM Procedures; and
  - (c) update any information provided to AEMO as soon as practicable if that information changes materially or is otherwise materially inaccurate.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (3) A person required to provide information to AEMO under subrule (2) must do so in good faith.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (4) AEMO must treat information provided under this rule as confidential, unless AEMO reasonably considers it necessary to disclose that information for the purposes of assessing or responding to a contingency gas trigger event.

## **441 Notification and communication**

- (1) If:
- (a) AEMO has been notified under rule 440 that a contingency gas trigger event has occurred; or
  - (b) AEMO considers that a contingency gas trigger event has occurred,
- AEMO must, in accordance with the STTM Procedures:
- (c) publish a notice of the occurrence of the contingency gas trigger event as soon as practicable; and

- (d) convene a conference (a **CG assessment conference**) in accordance with rule 442 to assess the likely impact of the contingency gas trigger event and determine the nature and timing of any appropriate responses.
- (2) AEMO must comply with any requirements in the STTM Procedures for additional notices and CG assessment conferences.

## **Subdivision 2 Contingency gas trigger event**

### **442 CG assessment conference**

- (1) If AEMO convenes a CG assessment conference, AEMO must give notice of that conference to:
  - (a) the relevant STTM facility operators and the STTM distributor in respect of the hub to which the contingency gas trigger event relates; and
  - (b) any other person whose attendance AEMO considers reasonably necessary.
- (2) Any person who receives a notice of a CG assessment conference must attend the conference in person, by telephone, or in any other way specified in the notice given to that person under subrule (1).
- (3) At a CG assessment conference, a relevant STTM facility operator and the STTM distributor must give AEMO their assessment, in accordance with good gas industry practice on the basis of the benchmark information provided under rule 376 and all other information available to them at that time, of:
  - (a) the operational requirement for each relevant STTM facility and STTM distribution system for:
    - (i) the current gas day; and
    - (ii) the next gas day; and
    - (iii) any subsequent gas day on which the STTM facility operator or STTM distributor considers that the contingency gas trigger event will affect the hub; and
  - (b) the quantity of contingency gas that is likely to be required at the hub, and the locations and times at which that contingency gas is likely to be required to meet those operational requirements for:
    - (i) the current gas day; and
    - (ii) the next gas day.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (4) An STTM facility operator or STTM distributor must provide AEMO with updated information if the information provided under this rule changes materially or is otherwise materially inaccurate.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (5) An STTM facility operator or STTM distributor must provide AEMO with any information specified in the STTM Procedures.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

## **443 Industry conference**

- (1) If, following a CG assessment conference, AEMO considers that contingency gas is likely to be required in relation to a contingency gas trigger event, AEMO must, by notice to all Trading Participants, STTM facility operators and the STTM distributor at the relevant hub, convene a conference to discuss the contingency gas trigger event and appropriate responses.
- (2) A notice of a conference convened under this rule, must include the outcomes of the CG assessment conference.
- (3) However, AEMO:
  - (a) is not required to convene or hold a conference under subrule (1) if AEMO determines that there is insufficient time for that conference before contingency gas will be required, but may convene or hold that conference subsequently; and
  - (b) may cancel a conference already convened if, based on further information, AEMO considers that contingency gas is no longer likely to be required in relation to the contingency gas trigger event.

## **444 Determination of contingency gas requirement**

- (1) Following a CG assessment conference and any industry conference if required under rule 443, AEMO must determine that either:
  - (a) contingency gas is not, or is no longer, needed to meet an operational requirement relating to the contingency gas trigger event; or
  - (b) contingency gas is, or is likely to be, needed to meet an operational requirement relating to the contingency gas trigger event and, if so, it must also determine:
    - (i) the contingency gas requirement for the current gas day (if any); and

- (ii) the contingency gas requirement for the next gas day (if any); and
  - (iii) the likely contingency gas requirement (if any) for any subsequent gas day on which AEMO considers that the contingency gas trigger event will affect the hub.
- (2) AEMO must make a determination under subrule (1) on the basis of the information provided to it by STTM facility operators, STTM distributors and Trading Participants under this Subdivision and must publish its determination as soon as practicable.
- (3) The contingency gas requirement for a hub for a gas day:
  - (a) specifies:
    - (i) the quantity of contingency gas that is required to increase and/or decrease net supply to the hub; and
    - (ii) the locations and times at which that contingency gas is required; and
  - (b) must include any other details specified in the STTM Procedures.
- (4) AEMO:
  - (a) may update a determination made under subrule (1) at any time before the end of the gas day to which that determination relates; and
  - (b) must update a determination made under subrule (1) if required to do so by the STTM Procedures; and
  - (c) must publish any updated determination as soon as practicable.
- (5) If, after scheduling contingency gas for a gas day under rule 446, AEMO updates a determination in accordance with subrule (4) with the result that:
  - (a) contingency gas is no longer required for that gas day at the relevant hub; or
  - (b) the contingency gas requirement is for less contingency gas than AEMO has scheduled,

AEMO must not schedule further contingency gas, but any contingency gas already scheduled must be provided, unless AEMO and the relevant Trading Participant agree otherwise.



### **Subdivision 3      Calling and scheduling contingency gas**

#### **445      Confirmation of contingency gas offers or contingency gas bids**

- (1) If AEMO determines under rule 444 that contingency gas is required at a hub for a gas day, AEMO must implement the confirmation process in accordance with the STTM Procedures.
- (2) Subject to subrule (5), each Trading Participant who has submitted a contingency gas offer or contingency gas bid for that hub and gas day must, by the time and in the manner specified in the STTM Procedures:
  - (a) confirm or revise the quantity of contingency gas specified in its contingency gas offer or contingency gas bid, or price steps within that offer or bid; and
  - (b) provide information to AEMO about the timeframe in which and location at which the contingency gas can be made available; and
  - (c) provide any other information required by AEMO for the purposes of scheduling contingency gas, as specified in the STTM Procedures.
- (3) A person required to provide information to AEMO under subrule (2) must do so in good faith.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (4) AEMO must keep a record of the information provided to it under this rule.
- (5) If a Trading Participant does not confirm or revise a quantity of contingency gas under subrule (2), AEMO must record that Trading Participant's contingency gas offer or contingency gas bid as unavailable and must not schedule it.
- (6) If a Trading Participant is subject to a condition restricting the confirmation of a contingency gas bid for the relevant gas day under rule 487 or 488, that Trading Participant need not comply with subrule (2), and AEMO must not schedule that Trading Participant's contingency gas bid.

#### **446      Scheduling contingency gas**

- (1) If AEMO determines under rule 444 that contingency gas is required at a hub for a gas day, AEMO must, in accordance with the STTM Procedures:
  - (a) if the contingency gas requirement is for increased supply to the hub – create a contingency gas offer stack from the contingency gas offers confirmed as available under rule 445; and

- (b) if the contingency gas requirement is for decreased supply to the hub – create a contingency gas bid stack from the contingency gas bids confirmed as available under rule 445.
- (2) AEMO may call contingency gas at a hub for a gas day by:
  - (a) scheduling contingency gas offers or contingency gas bids as updated or confirmed under rule 445, in whole or in part, in accordance with the STTM Procedures; and
  - (b) informing each relevant Trading Participant of the quantity of contingency gas scheduled from its contingency gas offer or contingency gas bid; and
  - (c) notifying the relevant STTM facility operators and STTM distributor of the total quantity of contingency gas it has scheduled.
- (3) AEMO must not schedule contingency gas offers or contingency gas bids for a gas day:
  - (a) prior to 6:00 pm on the preceding gas day; or
  - (b) after the end of the gas day.
- (4) A Trading Participant who has received a notice under subrule (2)(b) must use all reasonable endeavours to provide that quantity of contingency gas, unless that Trading Participant has agreed with AEMO under rule 444(5) that it will not provide that quantity of contingency gas.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (5) A quantity of contingency gas that is not provided by agreement under rule 444(5) is taken not to have been scheduled.
- (6) AEMO must keep a record of the quantity of contingency gas scheduled for each Trading Participant under subrule (2), and any agreement made with a Trading Participant under rule 444(5).

## **447 High contingency gas price**

After the end of each gas day for which contingency gas offers were scheduled at a hub, AEMO must determine the price for the quantities of contingency gas provided in accordance with those contingency gas offers being, subject to rules 428(5)(b), 430(2)(b)(ii) and 431(2)(c)(ii), the highest price step scheduled at that hub for that gas day (the **high contingency gas price**).

#### **448 Low contingency gas price**

After the end of each gas day for which contingency gas bids were scheduled at a hub, AEMO must determine the price for the quantities of contingency gas provided in accordance with those contingency gas bids, being, subject to rule 428(5)(c), 430(2)(b)(ii) and 431(2)(c)(ii), the lowest price step scheduled at that hub for that gas day (the **low contingency gas price**).

#### **449 Information about scheduled contingency gas**

- (1) AEMO must publish, for each gas day in respect of which AEMO schedules contingency gas at a hub:
  - (a) by 3:00pm on the next gas day:
    - (i) whether contingency gas offers, contingency gas bids, or both were scheduled; and
    - (ii) the high contingency gas price and low contingency gas price (as applicable); and
  - (b) by 5:00pm on the next gas day, for each contingency gas offer or contingency gas bid that was scheduled:
    - (i) the quantity of contingency gas confirmed as available under rule 445; and
    - (ii) the quantity of contingency gas scheduled.
- (2) **[Deleted]**
- (3) AEMO may request a Trading Participant whose contingency gas offer or contingency gas bid was scheduled for a gas day to provide AEMO with evidence it reasonably requires in order to:
  - (a) determine whether the Trading Participant provided contingency gas as scheduled; and
  - (b) assist AEMO to prepare a report under rule 497.
- (4) The STTM Procedures must specify the type of evidence AEMO will request under subrule (3).
- (5) A Trading Participant must provide evidence requested under subrule (3) in the form and manner, and by the time, specified in the STTM Procedures.

#### **450 Scheduling errors**

- (1) If it is agreed or determined under Division 9 that a scheduling error has occurred in relation to the scheduling of contingency gas offers or contingency gas bids, the

quantities and prices to which that scheduling error relates will not be changed (and will remain valid), but a Trading Participant may be entitled to compensation in accordance with Division 9.

**Note**

Division 9 provides that an agreement or determination in relation to a scheduling error is to be made in accordance with the dispute resolution processes, which allow any affected Trading Participant to become a party to the dispute.

- (2) High contingency gas prices and low contingency gas prices published by AEMO under this Part must not be changed by any determination of a dispute resolution panel or an agreement for the settlement of a dispute under Part 15C.

**Note**

This subrule does not preclude the making of payments between AEMO, Trading Participants or other persons for the purposes of settling a dispute, which may be calculated on the basis of an adjusted price.

## **Division 9                      Scheduling Errors and the Participant Compensation Fund**

### **451                      Establishment of the participant compensation fund**

AEMO must establish and maintain a Rule fund for each hub, each to be called a participant compensation fund, for the purpose of paying compensation to Trading Participants for scheduling errors in accordance with this Division.

### **452                      Funding the participant compensation fund**

- (1) The funding requirement for the participant compensation fund for the Sydney hub each financial year is the lesser of:
  - (a) \$335,000; and
  - (b) \$670,000 minus the amount that AEMO reasonably considers will be the balance of the participant compensation fund at the end of that financial year.
- (2) The funding requirement for the participant compensation fund for the Adelaide hub each financial year is the lesser of:
  - (a) \$115,000; and
  - (b) \$330,000 minus the amount that AEMO reasonably considers will be the balance of the participant compensation fund at the end of that financial year.
- (3) The funding requirement for the participant compensation fund for the Brisbane hub each financial year is the lesser of:

- (a) \$225,000; and
  - (b) \$450,000 minus the amount that AEMO reasonably considers will be the balance of the participant compensation fund at the end of that financial year.
- (4) No later than the commencement of each financial year, AEMO must publish the funding requirement and the contribution rate for each participant compensation fund for that financial year.
- (5) A contribution rate for a financial year is to be calculated by dividing the relevant funding requirement determined under subrule (1), (2) or (3) (as applicable) by AEMO's reasonable forecast of the aggregate quantity of natural gas which it expects Trading Participants will withdraw from the hub during that financial year.
- (6) Each Trading Participant for a hub must pay to AEMO, as part of the settlement amount payable by that Trading Participant in respect of each billing period, an amount calculated by multiplying the contribution rate by the aggregate quantity of natural gas withdrawn from that hub by that Trading Participant during the relevant billing period in accordance with its STTM facility allocation, excluding MOS gas and overrun MOS, or STTM distribution system allocation.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (7) AEMO must pay the amounts paid by Trading Participants under subrule (6) into the relevant participant compensation fund.
- (8) Trading Participants are not entitled to a refund of any contributions made to a participant compensation fund.
- (9) Any interest paid on money held in a participant compensation fund accrues to and forms part of that participant compensation fund.
- (10) AEMO must pay from a participant compensation fund:
  - (a) all income tax on interest earned by that participant compensation fund; and
  - (b) any fees, taxes or charges payable in relation to that participant compensation fund; and
  - (c) compensation to Trading Participants in accordance with rule 455.

## **453 Liability for scheduling errors**

AEMO incurs no liability in respect of a scheduling error except to the extent that compensation is payable from a participant compensation fund in accordance with this Division.

#### **454 Process for establishing whether a scheduling error has occurred**

- (1) AEMO:
  - (a) must, on request by a Trading Participant in accordance with subrule (2); and
  - (b) may, on its own initiative,investigate whether a scheduling error has occurred.
- (2) A request by a Trading Participant to AEMO to investigate whether a scheduling error has occurred must:
  - (a) be made in writing no later than 60 business days after the issue of the relevant schedule; and
  - (b) identify the relevant schedule; and
  - (c) specify the error the Trading Participant believes to be a scheduling error; and
  - (d) include any information available to the Trading Participant that supports that belief.
- (3) If, after investigation, AEMO decides:
  - (a) that a scheduling error has occurred; or
  - (b) where the investigation was undertaken pursuant to a request under subrule (2), that the matter under investigation is not a scheduling error,

AEMO must publish that decision as soon as practicable, and in any event no later than 20 business days after receipt of a request made under subrule (2), including the reasons for that decision and sufficient details to enable Trading Participants to identify the relevant schedule and the matter investigated by AEMO.
- (4) A Trading Participant may initiate the dispute resolution process in respect of the occurrence of, or compensation in respect of, a scheduling error, whether or not AEMO has published a decision under subrule (3).
- (5) If AEMO publishes a decision that a scheduling error has occurred, AEMO may initiate the dispute resolution process in respect of the matter, for the purposes of confirming that decision and determining any compensation payable.

#### **455 Compensation for scheduling errors**

If it is agreed or determined under the dispute resolution processes that a scheduling error has occurred in relation to a hub, the following matters must be agreed or determined in accordance with the dispute resolution processes:

- (a) which Trading Participants are to receive compensation from the relevant participant compensation fund in respect of that scheduling error; in accordance with rule 456;
- (b) the amount of compensation each Trading Participant is to receive, in accordance with rule 457; and
- (c) the manner and timing of payments from the relevant participant compensation fund.

#### **456 When an entitlement to compensation arises**

A Trading Participant at a hub is entitled to compensation from the relevant participant compensation fund if, and only if, as a result of a scheduling error relating to that hub:

- (a) the Trading Participant is scheduled to supply a quantity of natural gas under an ex ante offer at a lower price than is specified in the corresponding price step in its ex ante offer; or
- (b) the Trading Participant is scheduled to withdraw a quantity of natural gas under an ex ante bid at a higher price than is specified in the corresponding price step in its ex ante bid; or
- (c) the Trading Participant is scheduled to provide a quantity of contingency gas for a gas day at that hub at a lower price than is specified in the corresponding price step in its contingency gas offer; or
- (d) the Trading Participant is scheduled to provide a quantity of contingency gas for a gas day at that hub at a higher price than is specified in the corresponding price step in its contingency gas bid; or
- (e) where the Trading Participant is an STTM User:
  - (i) AEMO has failed to schedule one or more price steps in a contingency gas offer submitted and confirmed by the STTM User in accordance with Division 8; and
  - (ii) the STTM User's withdrawals of natural gas from that hub are curtailed by the STTM distributor on that gas day.

#### **457 Amount of compensation**

- (1) Subject to this rule, the compensation payable to a Trading Participant from a participant compensation fund in respect of a scheduling error is:
  - (a) in the circumstances in rule 456(a) or (b), the amount of the net loss incurred by that Trading Participant as a result of the scheduling error at the relevant hub; or

- (b) in the circumstances in rule 456(c), the quantity of contingency gas scheduled in respect of the relevant price step, multiplied by the amount by which the price specified in that price step exceeds the high contingency gas price; or
- (c) in the circumstances in rule 456(d), the quantity of contingency gas scheduled in respect of the relevant price step, multiplied by the amount by which the low contingency gas price exceeds the price specified in that price step; or
- (d) in the circumstances in rule 456(e), an amount determined in accordance with the principle that the compensation is to be based on:
  - (i) a quantity of natural gas that is the lesser of:
    - (A) the aggregate quantity specified in the price steps that were not scheduled as a result of the scheduling error; and
    - (B) the estimated quantity of natural gas that the STTM User was unable to withdraw from the hub as a result of the curtailment; and
  - (ii) the differences between the prices specified in the relevant price steps and the prices applied to calculate the STTM User's deviation payment or deviation charge in respect of the corresponding quantities.

**Note**

Paragraphs (i) and (ii) do not represent a formula for the calculation of compensation in these circumstances, but rather a general basis for calculation. There may be a number of price differences to be applied under paragraph (ii) to parts of the quantity referred to in paragraph (i).

- (2) For the purposes of determining compensation under subrule (1)(d):
  - (a) an STTM distributor must provide any information reasonably required by AEMO; and
  - (b) a direction under rule 135HC or 135HG may be given to an STTM distributor as if it were a party to a dispute.
- (3) A Trading Participant is not entitled to compensation in respect of a scheduling error to the extent that it has received, or is entitled to receive, compensation in respect of the same circumstances under another provision of this Part.
- (4) A Trading Participant is not entitled to compensation in respect of a scheduling error unless:
  - (a) the net financial effect of that scheduling error on that Trading Participant exceeds \$20,000, adjusted to reflect the change in the Consumer Price Index in accordance with subrule (5); or



- (b) the net financial effect of that scheduling error on all Trading Participants at the hub exceeds \$50,000, adjusted to reflect the change in the Consumer Price Index in accordance with subrule (5).
- (5) The amounts referred to in subrule (4) are to be adjusted by multiplying the relevant amount by the number determined using the following formula:

$$CPI_n / CPI_o$$

Where

$CPI_o$  is the Consumer Price Index number (All Groups, weighted average of eight capital cities) published by the Australian Bureau of Statistics for the quarter ended 30 June 2009, being 167.0; and

$CPI_n$  is the Consumer Price Index number (All Groups, weighted average of eight capital cities) last published by the Australian Bureau of Statistics before the issue of the relevant schedule.

- (6) The amount of compensation agreed or determined under rule 455 to be payable to one or more Trading Participants is limited to the amount necessary to ensure that the aggregate amount of compensation payable from the relevant participant compensation fund immediately after that agreement or determination does not exceed the balance of that participant compensation fund.

## **Division 10      Market Settlement and Prudential Requirements**

### **Subdivision 1      Preliminary**

#### **458      Confidential information**

Information about the amounts payable by or to a Trading Participant or security required in respect of a Trading Participant under this Division is confidential information.

### **Subdivision 2      Settlements**

#### **459      Settlements management by AEMO**

AEMO must manage the billing and settlement of transactions between Trading Participants and other amounts payable under or by reference to this Part in accordance with this Subdivision.

#### **460      Electronic funds transfer**

- (1) AEMO must ensure that an EFT facility is provided and made available to all Trading Participants for the purpose of facilitating settlement.

- (2) Unless otherwise authorised by AEMO, AEMO and all Trading Participants must use the EFT facility for the payment of amounts under this Division.

- (3) In this rule:

**EFT facility** means the Reserve Bank of Australia real time gross settlement facility or, where such a facility is not available, an electronic funds transfer facility to be arranged by AEMO.

#### **461 Amounts for gas days**

- (1) AEMO must determine, for each gas day, in accordance with the STTM Procedures, the modified market schedule for each hub.
- (2) AEMO must determine, for each gas day, in accordance with the STTM Procedures, the sum across all hubs of:
- (a) the ex ante market charge payable by, or ex ante market payment payable to, a Trading Participant at a hub; and
  - (b) the variation charges payable by a Trading Participant in respect of market schedule variations at a hub; and
  - (c) the pipeline flow direction constraint charge payable by, or pipeline flow direction constraint payment payable to, an STTM Shipper at a hub; and
  - (d) the amount payable to an STTM Shipper (whether in its capacity as a MOS provider or otherwise) for the provision of MOS or overrun MOS at a hub; and
  - (e) the amount payable by or to an STTM Shipper for the restoration of MOS gas provided at a hub on the second gas day before that gas day; and
  - (f) the capacity charges payable by, or capacity payments payable to, an STTM Shipper at a hub; and
  - (g) the amount payable by or to a Trading Participant at a hub in respect of deviation charges or deviation payments; and
  - (h) the amount payable by or to a Trading Participant in respect of contingency gas at a hub.
- (2A) For the purposes of subrule (2)(h), AEMO must determine the quantity of contingency gas provided by a Trading Participant on a gas day having regard to any evidence provided under rule 449(5).
- (3) The trading amount for a Trading Participant for a gas day is the sum of the amounts payable by that Trading Participant under subrule (2), less the sum of the amounts payable to that Trading Participant under subrule (2) for that gas day, and may be a positive or a negative amount.

**462 Determining deviation charges and deviation payments**

The STTM Procedures must specify the basis and method for determining deviation charges and deviation payments payable to or by a Trading Participant in accordance with the following:

- (a) the principle that, to the extent practicable, the determination of deviation charges or deviation payments should:
  - (i) promote the economically efficient operation of the STTM by efficiently allocating the risks of deviations from schedules;
  - (ii) reflect the costs of providing MOS; and
  - (iii) minimise any settlement shortfall charge or settlement surplus payment; and
- (b) when determining the amount of the deviation charge or deviation payment for a gas day:
  - (i) the maximum deviation price used to calculate a deviation charge must not exceed the dollar per GJ amount of the MPC plus the MOS cost cap; and
  - (ii) the minimum deviation price used to calculate a deviation payment must not be less than the dollar per GJ amount of the MMP minus the MOS cost cap,  
  
except if an administered price cap state has been determined under rule 428(1)(c), in which case the deviation price to be used for determining a:
    - (iii) deviation charge, will be the administered price cap; and
    - (iv) deviation payment, will be the ex ante market price for that gas day.

**463 Graduated variation parameters**

In determining variation charges for a Trading Participant, AEMO must use the factors for the variation percentage range and the variation quantity range in the following tables in accordance with the STTM Procedures:

Variation percentage range	Factor
$> +10\%$	3%
$> +5\%$ and $\leq +10\%$	2%
$\geq 0\%$ and $\leq +5\%$	0%

Variation quantity range	Factor
> +1,200 GJ	3%
> +600 GJ to ≤ +1,200 GJ	2%
≥ 0 GJ to ≤ +600 GJ	0%

#### 464 Settlement amounts for billing periods

- (1) AEMO must determine the settlement amount for each Trading Participant for each billing period in accordance with subrule (2).
- (2) The settlement amount for a Trading Participant for a billing period equals the sum of:
  - (a) the sum of that Trading Participant's trading amounts for each gas day in that billing period; plus
  - (b) the aggregate of:
    - (i) any settlement shortfall charge payable by, or settlement surplus payment payable to, each Trading Participant at a hub, calculated in accordance with the STTM Procedures; and
    - (ii) any participant fees that the Trading Participant is required to pay in respect of that billing period in connection with AEMO's functions under this Part, determined in accordance with Part 15A; and
    - (iii) any participant compensation fund contribution which that Trading Participant is required to make in accordance with rule 452; and
    - (iv) any amount that the Trading Participant is required to pay to AEMO in respect of the payment of claims under rule 466; plus
  - (c) any other amounts payable under this Part by that Trading Participant to AEMO in respect of that billing period; less
  - (d) any other amount payable under this Part by AEMO to that Trading Participant in respect of that billing period.
- (2A) The STTM Procedures must specify the basis and method for calculating the settlement shortfall charge or settlement surplus payment for a hub and a billing period under subrule (2)(b)(i) in accordance with the following principles:
  - (a) any settlement shortfall or settlement surplus should be allocated to Trading Participants at that hub in the billing period; and

- (b) such allocation should promote the economically efficient operation of the STTM by efficiently allocating the proportion of any settlement shortfall or settlement surplus arising from
  - (i) a deviation quantity, to the Trading Participants on the basis of their total deviation quantity, subject to any settlement surplus cap; and
  - (ii) MOS related services or circumstances that are beyond the reasonable control of the Trading Participants (other than deviation quantities), to all Trading Participants.
- (3) If the settlement amount for a Trading Participant determined by AEMO under this rule is:
  - (a) a positive amount, it is payable by that Trading Participant to AEMO in accordance with rule 470; or
  - (b) a negative amount, it is payable by AEMO to the Trading Participant in accordance with rule 471.

#### **465 Claims relating to administered market states**

- (1) A Trading Participant may make a claim for loss under rule 433 by giving notice to AEMO within 10 business days after the issue of the final statement or a revised statement for the gas day on which the Trading Participant supplied the quantity of natural gas (including contingency gas) referred to in the claim.
- (2) A claim is taken to be a relevant dispute for the purposes of Part 15C and Part 15C applies to that dispute subject to the exclusions and modifications specified in this rule and rule 466.
- (3) When a Trading Participant notifies AEMO of a claim, the Trading Participant must specify a date from which AEMO has 5 business days to serve a Stage 1 notice in accordance with rule 135H.
- (4) The date specified by the Trading Participant under subrule (3) must not be later than 30 business days after the issue of the final statement or revised statement (as applicable) for the gas day for which the claim has been made.
- (5) The Trading Participant may withdraw a claim at any time before the date specified in subrule (3).
- (6) If the Trading Participant has not withdrawn the claim, AEMO must, within 5 business days of the date specified under subrule (3), serve a Stage 1 notice under rule 135H for the purpose of resolving, in accordance with the dispute resolution processes:
  - (a) whether it is appropriate in all the circumstances for a payment to be made in respect of the Trading Participant's claim; and

- (b) if so, the appropriate amount of that payment.
- (7) An agreement or determination in respect of a claim must be consistent with rule 466(1) and (2) and otherwise in accordance with the requirements in Part 15C except that, for the purposes of rule 135HH, the maximum time limit is 20 business days after the establishment of the Dispute resolution panel.

## **466 Determination and payment of claims**

- (1) An agreement or determination in respect of a claim under rule 433 must specify:
  - (a) the amount (if any) to be paid by AEMO to a Trading Participant; and
  - (b) the amounts to be paid to AEMO by one or more Trading Participants to fund the amount agreed or determined under paragraph (a); and
  - (c) how, and in what circumstances, the amounts specified under paragraphs (a) and (b) are to be adjusted if there is a change to the allocation data on which the determination of those amounts was based.
- (2) The STTM Procedures must specify the basis and method for determining amounts under subrule (1), in accordance with the following principles:
  - (a) the amount payable to a Trading Participant must be no more than is necessary to compensate that Trading Participant for the provable loss incurred by it as a direct result of the circumstances described in rule 433; and
  - (b) no amount is payable for loss of profit or opportunity, indirect or consequential loss; and
  - (c) if reasonably practical, the amount payable must be recovered from Trading Participants in the proportions in which they caused or contributed to the event or circumstances giving rise to the claim; and
  - (d) the total of all amounts agreed or determined under subrule (1)(b) must equal the amount agreed or determined under subrule (1)(a).
- (3) If an amount is agreed or determined to be payable to a Trading Participant under this rule:
  - (a) AEMO must pay that amount to the Trading Participant and must advise the Trading Participant as soon as practicable of the date AEMO intends to pay the Trading Participant; and
  - (b) AEMO is entitled to recover that amount from Trading Participants and each Trading Participant must pay to AEMO an amount agreed or determined under subrule (1)(b).
- (4) Interest is payable on amounts determined in accordance with subrule (1)(a) or (b), at the interest rate, calculated as simple interest on a daily basis, for the period

commencing on the day after the next payment date under rule 470 occurring after the determination of the Dispute resolution panel and ending on the date of payment of the relevant amount.

#### **467 General requirements for statements**

AEMO must comply with any requirements in the STTM Procedures in respect of the preparation, content and issue of settlement statements.

#### **468 Preliminary statements**

- (1) Within 7 business days after the end of each billing period, AEMO must make available to each Trading Participant a preliminary statement stating the settlement amount payable by or to that Trading Participant in respect of that billing period.
- (2) Each preliminary statement must include supporting data that is sufficient to enable each Trading Participant to audit the calculation of the amount payable by or to that Trading Participant.
- (3) If a Trading Participant reasonably believes there to be an error or discrepancy in a preliminary statement, the Trading Participant must notify AEMO of that error or discrepancy as soon as practicable, but no later than 13 business days after the end of the relevant billing period, and AEMO must review the preliminary statement.
- (4) If, after review, AEMO considers that a preliminary statement contains an error or discrepancy, AEMO must notify all Trading Participants whose final statements will be affected by the error or discrepancy within 5 business days of receipt of the notice under subrule (3) and AEMO must ensure that the error or discrepancy is corrected in the relevant final statements.

#### **469 Final statements**

- (1) No later than 18 business days after the end of each billing period, AEMO must make available to each Trading Participant a final statement stating the settlement amount payable by or to that Trading Participant in respect of the relevant billing period.
- (2) Each final statement must include supporting data that is sufficient to enable each Trading Participant to audit the calculation of the amount payable by or to that Trading Participant.

#### **470 Payment by Trading Participants**

No later than 12 noon on the 20th business day after the end of a billing period or 12 noon on the 2nd business day after receiving a final statement under rule 469, whichever is the later, each Trading Participant must pay to AEMO in cleared funds the settlement amount stated to be payable to AEMO by that Trading Participant in that Trading Participant's final statement.

**Note:**

This rule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This rule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

## **471 Payment to Trading Participants**

- (1) No later than 2:00pm on the payment date under rule 470, AEMO must pay to each Trading Participant in cleared funds the settlement amount stated to be payable to that Trading Participant in that Trading Participant's final statement, if at that time the maximum total payment determined under rule 475(1) is not less than the aggregate of those settlement amounts.
- (2) If the maximum total payment determined under rule 475(1) as at 2:00pm on the payment date under rule 470 is less than the aggregate of those settlement amounts, AEMO must pay to each Trading Participant the reduced amount determined under rule 475(3) by 4:00pm on the same date.
- (3) If AEMO receives payments in respect of settlement amounts due from Trading Participants in the period between 2:00pm on the payment date under rule 470 and 2:00pm on the second business day after that date, AEMO must, promptly after the end of that period, pay the sum of those payments received to those Trading Participants whose settlement amounts were reduced under subrule (2), in the proportions in which those amounts were reduced.

## **472 Settlement queries and disputes**

- (1) A Trading Participant may only query or dispute a settlement amount or the supporting data for a billing period in respect of the most recently issued settlement statement for that relevant billing period.
- (2) If a Trading Participant notifies AEMO of a query concerning either:
  - (a) the settlement amount stated in a preliminary statement provided under rule 468 to be payable by or to AEMO or a Trading Participant; or
  - (b) the supporting data provided in accordance with rule 468,

AEMO and the Trading Participant must each use reasonable endeavours to resolve that query within 15 business days after the end of the relevant billing period.

- (3) If, during the period between the issue of a final statement and the issue of a revised statement in accordance with rule 473(1), a Trading Participant notifies AEMO of a query concerning either:



- (a) the settlement amount stated in a final statement provided under rule 469 to be payable by or to AEMO or a Trading Participant; or
- (b) the supporting data provided in accordance with rule 469,

AEMO and the Trading Participant must each use reasonable endeavours to resolve that query before the 1st business day after the end of the 9th billing period after the relevant billing period.

- (4) Any disputes in respect of:
  - (a) the settlement amount stated to be payable by AEMO or a Trading Participant in a revised statement under rule 473(5); or
  - (b) the supporting data for a revised statement,

must be raised under Part 15C within 60 business days after the date on which AEMO made that revised statement available to the Trading Participant.

## **473 Revised statements**

- (1) Subject to subrule (2), AEMO must revise each final statement on the 5th business day after the end of the 9th billing period after the relevant billing period, and make those revised statements available to Trading Participants in accordance with subrule (5).
- (2) AEMO must only make revised statements available to Trading Participants if AEMO has received or determined a set of STTM facility allocations, STTM facility service allocations, and STTM distribution system allocations under which all the data is aligned.
- (3) If, within 18 months after a billing period, AEMO becomes aware of an error in an amount stated in a revised statement in respect of that billing period that would, in AEMO's reasonable opinion, have a material effect on a Trading Participant if not corrected, AEMO must:
  - (a) inform each Trading Participant likely to be materially affected by the error within 5 business days; and
  - (b) as soon as practicable make revised statements for the relevant billing period available in accordance with subrule (5).
- (4) If an amount in a revised statement issued under subrule (1) or (3) has been the subject of a dispute and the dispute has been resolved in a way that causes the amount payable to differ from the amount payable in the disputed revised statement, AEMO must make a revised statement available to each Trading Participant affected by the resolution of the dispute, in accordance with subrule (5).

- (5) Within 5 business days of a revision made in accordance with subrule (1) or (3) or, as the case may be, resolution of a dispute referred to in subrule (4), AEMO must make a revised statement for the relevant billing period available to each Trading Participant affected by that revision, setting out:
  - (a) the amount payable by the Trading Participant to AEMO or, subject to rule 475, the amount payable by AEMO to the Trading Participant; and
  - (b) the adjustment to the final statement as agreed or determined plus interest at the interest rate, calculated as simple interest on a daily basis, for the period commencing on the day after the payment date applicable to the final statement to which the adjustment relates and ending on the payment date applicable to the revised statement.
- (6) Each revised statement must include supporting data that is sufficient to enable each Trading Participant to audit the calculation of the amount payable by or to that Trading Participant.

#### **474 Payments of adjustments**

- (1) AEMO must specify the date on which a payment of an adjustment under a revised statement is due, which must not be less than 10 business days after the date on which that revised statement is made available to the Trading Participant.
- (2) If the next final statement payment date occurs 10 business days or more after the revised statement is made available, AEMO must require payment of the adjustment under that revised statement to be made on that next final statement payment date.
- (3) If the next final statement payment date occurs less than 10 business days after revised statement is made available, AEMO must require payment of the adjustment under that revised statement to be made on the final statement payment date following the next final statement payment date.
- (4) No later than 12 noon on the payment date specified by AEMO under subrule (1), each Trading Participant must pay to AEMO in cleared funds the net amount stated to be payable by that Trading Participant in its revised statement.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (5) No later than 2:00pm on the payment date under subrule (4), AEMO must pay to each Trading Participant in cleared funds the net amount stated to be payable to that Trading Participant in its revised statement, subject to rule 471 which applies,

with necessary modifications, to payments by AEMO in respect of revised statements.

#### **475 Maximum total payment in respect of a billing period**

- (1) For the purposes of this Subdivision, the maximum total payment by AEMO in respect of a billing period is equal to:
  - (a) the aggregate of the amounts received by AEMO from Trading Participants by 2:00pm on the relevant payment date in respect of that billing period; plus
  - (b) if one or more Trading Participants are in default, the aggregate amount which AEMO is able to obtain by that time from the credit support provided by such Trading Participants under Subdivision 3; less
  - (c) the aggregate amount of all participant fees and other payments received by AEMO pursuant to rules 464(2)(b)(ii), 464(2)(b)(iii) and 476.
- (2) For the purpose of subrule (1), any payment received by AEMO from a Trading Participant in respect of a billing period is taken to be made, and may be applied by AEMO, in satisfaction of the participant fees and other payments specified in rules 464(2)(b)(ii), 464(2)(b)(iii) and 476 payable to AEMO by that Trading Participant (as specified in the relevant final or revised statement issued to that Trading Participant) before it is applied by AEMO in satisfaction of any other obligation or liability.
- (3) If the maximum total payment in respect of a billing period is not sufficient to meet the aggregate of the net amounts payable by AEMO to each of the Trading Participants to whom payments are to be made in respect of the billing period, then the amount payable by AEMO to each relevant Trading Participant in respect of that billing period is reduced by applying the following formula:

$$AAP = SAP \times (A/B)$$

Where

AAP is the reduced amount payable by AEMO to the relevant Trading Participant in respect of the relevant billing period;

SAP is the net amount that would have been payable to the relevant Trading Participant for the relevant billing period but for the application of this rule.

A is the maximum total payment in respect of the billing period; and

B is the aggregate of the net amounts payable by AEMO to Trading Participants under this Subdivision in respect of the billing period.

## **476 Interest on overdue amounts**

- (1) A Trading Participant must pay interest on any unpaid moneys due and payable by it under this Subdivision at the default interest rate, calculated as simple interest on a daily basis for the period commencing on the date payment was due and ending on the date payment is made.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (2) AEMO must pay interest on any unpaid moneys due and payable by it under this Subdivision at the default interest rate, calculated as simple interest on a daily basis for the period commencing on the date payment was due and ending on the date payment is made.

## **477 Application of GST**

- (1) All monetary amounts payable determined, published or notified under, or referred to in, this Part (including participant fees) exclude GST.
- (2) A settlement statement or invoice issued in relation to a taxable supply made under or in connection with this Part must set out the amount of GST in respect of that supply.
- (3) Terms defined in the A New Tax System (Goods and Services Tax) Act 1999 of the Commonwealth have the same meaning when used in this rule.

## **Subdivision 3 Prudential Requirements**

### **478 Provision of security**

- (1) Subject to subrule (2), a Trading Participant must provide and maintain a security complying with the requirements of this Subdivision.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (2) If AEMO believes it is likely that the amount payable by AEMO to a Trading Participant under this Part in respect of a period will consistently exceed the amount payable to AEMO by that Trading Participant under this Part in respect of that period, AEMO may exempt the Trading Participant from the requirement to provide a security under subrule (1) for that period by giving written notice of the exemption to the Trading Participant.
- (3) If, under subrule (2), AEMO has exempted a Trading Participant from the requirement to provide a security under subrule (1), AEMO may vary or cancel the exemption at any time by giving written notice of the variation or cancellation of the exemption to the Trading Participant.

## **479 Form of security**

- (1) The security provided by a Trading Participant under this Subdivision must be a guarantee or bank letter of credit in a form acceptable to AEMO, from an entity that:
  - (a) is either:
    - (i) an entity under the prudential supervision of the Australian Prudential Regulation Authority; or
    - (ii) a central borrowing authority of an Australian State or Territory which has been established by an Act of Parliament of that State or Territory; and
  - (b) is resident in or permanently established in Australia; and
  - (c) is not an externally-administered body corporate (as defined in the Corporations Act 2001 of the Commonwealth) or under a similar form of administration under any laws applicable to it in any jurisdiction; and
  - (d) is not immune from liabilities incurred under this Part (except to the extent the immunity is conferred under the NGL or these rules); and
  - (e) is capable of being sued in its own name in a court of competent jurisdiction.
- (2) In addition, an entity providing security under this Subdivision must have a credit rating of:
  - (a) A-1 or higher for short term unsecured counterparty obligations of the entity, as rated by Standard and Poor's (Australia) Pty Limited; or
  - (b) P-1 or higher for short term unsecured counterparty obligations of the entity, as rated by Moodys Investor Services Pty Limited; or
  - (c) another credit rating determined by AEMO in accordance with subrule (3).

- (3) AEMO may determine an acceptable credit rating for the purposes of subrule (2), after consultation with Trading Participants in accordance with the extended consultative procedure. A determination under this subrule is effective from the date specified by AEMO, being not less than 30 business days after the date of publication of that determination.

#### **480 Amount of security**

- (1) Subject to rule 478(2), prior to the end of each financial year AEMO must determine and provide written confirmation to each Trading Participant of that Trading Participant's minimum exposure, calculated as AEMO's reasonable estimate of the participant fees referable to the STTM payable by the Trading Participant to AEMO in respect of a billing period in the following financial year.
- (2) AEMO may review its determination of a Trading Participant's minimum exposure at any time, provided that any change to a Trading Participant's minimum exposure will apply no earlier than 30 days following notification by AEMO to that Trading Participant of that change or such earlier period agreed by AEMO.
- (3) Each Trading Participant must ensure that the amount undrawn or unclaimed under the security held by AEMO in respect of that Trading Participant does not fall below the Trading Participant's minimum exposure.
- (4) A Trading Participant may in its absolute discretion provide to AEMO a security or securities in accordance with rule 479 for an aggregate amount that exceeds its minimum exposure.

#### **481 Replacement security**

- (1) If:
  - (a) an existing security provided by a Trading Participant under this Subdivision is due to expire or terminate; and
  - (b) after that security expires or terminates, the maximum amount which AEMO will be entitled to be paid in aggregate under any remaining security or securities provided by the Trading Participant under this Subdivision will be less than the Trading Participant's minimum exposure,

then the Trading Participant must deliver to AEMO, at least 10 business days prior to the time at which that existing security is due to expire or terminate, a replacement security which:

- (c) is of sufficient value to enable the Trading Participant to comply with rule 480(3);
- (d) complies with the requirements of this Subdivision; and

- (e) will take effect no later than the date on which the existing security is due to expire or terminate.
- (2) If:
  - (a) a Trading Participant fails to comply with subrule (1); and
  - (b) that Trading Participant does not remedy that failure within 24 hours after being notified by AEMO of the failure,

AEMO must give the Trading Participant a default notice.

**Note**

A default event will have occurred under rule 486(1)(d).

## **482 Drawdown of security**

- (1) If AEMO exercises its rights under a security provided by a Trading Participant under this Subdivision, then AEMO must inform the Trading Participant.
- (2) If, as a result of AEMO exercising its rights under a security provided by a Trading Participant under this Subdivision, the security or securities provided by the Trading Participant under this Subdivision are insufficient to cover the Trading Participant's minimum exposure, then, within 24 hours of receiving a notice under subrule (1), the Trading Participant must provide additional security to ensure that at all times, it complies with the requirements of this Subdivision.
- (3) If a Trading Participant fails to comply with subrule (2), AEMO must give the Trading Participant a default notice.

**Note**

A default event will have occurred under rule 486(1)(d).

## **483 Trading limits**

- (1) Subject to subrule (2), AEMO must set a trading limit for each Trading Participant.
- (2) If, under rule 478(2), AEMO has exempted a Trading Participant from the requirement to provide a security under rule 478(1) for a period, then AEMO must not set a trading limit for that Trading Participant for the period of that exemption.
- (3) The trading limit for a Trading Participant at any time must not be less than the greater of:
  - (a) the Trading Participant's minimum exposure; and
  - (b) a level based on a Trading Participant's available security, determined in accordance with the methodology published by AEMO after consulting with Trading Participants.

#### **484 Monitoring**

- (1) AEMO must review its estimated exposure to each Trading Participant under this Part in respect of the current and previous billing periods, in accordance with the STTM Procedures.
- (2) If a review indicates that AEMO's estimated exposure to a Trading Participant exceeds the greater of:
  - (a) the Trading Participant's minimum exposure; and
  - (b) 80% of the Trading Participant's trading limit,

AEMO must inform the Trading Participant accordingly.

#### **485 Margin calls**

- (1) If a review under rule 484 indicates that AEMO's estimated exposure to a Trading Participant exceeds the Trading Participant's trading limit, AEMO must make a margin call on that Trading Participant by notice to the Trading Participant, requiring that Trading Participant to:
  - (a) provide to AEMO an additional security or securities complying with the requirements of this Subdivision which enables AEMO to increase the Trading Participant's trading limit to a level that exceeds AEMO's estimated exposure to the Trading Participant; or
  - (b) prepay a portion of the amount payable or which will become payable in respect of previous billing periods sufficient to reduce AEMO's estimated exposure to the Trading Participant to a level below the Trading Participant's trading limit.
- (2) A Trading Participant must satisfy a margin call in accordance with the STTM Procedures.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (3) A prepayment under subrule (1)(b) must be applied by AEMO in accordance with the STTM Procedures.
- (4) If a Trading Participant fails to satisfy a margin call in accordance with this rule, AEMO must give the Trading Participant a suspension notice.



## Subdivision 4      **Default and Suspension**

### **486      Default events**

- (1) Each of the following events is a **default event** in relation to a Trading Participant:
  - (a) the Trading Participant does not pay an amount due for payment by it to AEMO under this Part by the appointed time on the due date;
  - (b) as a result of AEMO exercising its rights under a security provided by a Trading Participant under Subdivision 3, the maximum amount which AEMO is entitled to be paid under the security is less than the Trading Participant's minimum exposure;
  - (c) AEMO does not receive payment in full of any amount claimed by AEMO under any credit support in respect of a Trading Participant, within 90 minutes after the due time for payment of that claim;
  - (d) the Trading Participant fails to provide credit support required to be supplied under this Part, including any replacement or additional security under rule 481 or 482, by the appointed time on the due date;
  - (e) it is or becomes unlawful for the Trading Participant to comply with any of its obligations under this Part or any other obligation owed to AEMO or it is claimed to be so by the Trading Participant;
  - (f) it is or becomes unlawful for any credit support provider in relation to the Trading Participant to comply with any of its obligations under this Part or any other obligation owed to AEMO or it is claimed to be so by that credit support provider;
  - (g) an authorisation from a government authority or regulatory body necessary to enable the Trading Participant or a credit support provider in relation to that Trading Participant to carry on their respective principal businesses or activities ceases to have full force and effect;
  - (h) the Trading Participant or a credit support provider in relation to that Trading Participant ceases or is likely to cease to carry on its business or a substantial part of its business;
  - (i) the Trading Participant or a credit support provider in relation to that Trading Participant enters into or takes any action to enter into an arrangement (including a scheme of arrangement), composition or compromise with, or assignment for the benefit of, all or any class of their respective creditors or members, or a moratorium involving any of them;
  - (j) the Trading Participant or a credit support provider in relation to that Trading Participant states that it is unable to pay from its own money its debts as and when they fall due for payment;

- (k) a receiver or receiver and manager is appointed in respect of any property of the Trading Participant or a credit support provider in relation to that Trading Participant;
  - (l) an administrator, provisional liquidator, liquidator, trustee in bankruptcy or person having a similar or analogous function is appointed in respect of the Trading Participant or a credit support provider in relation to that Trading Participant;
  - (m) an order is made, or a resolution is passed, for winding up the Trading Participant, or a provider of *credit support* for the Trading Participant;
  - (n) a notice under section 601AB(3) of the Corporations Act 2001 of the Commonwealth is given to the Trading Participant or a credit support provider in relation to that Trading Participant unless the registration of that Trading Participant or credit support provider is reinstated under section 601AH of that Act;
  - (o) the Trading Participant or a credit support provider in relation to that Trading Participant dies or is dissolved and the notice of dissolution is not discharged; and
  - (p) the Trading Participant or a credit support provider in relation to that Trading Participant is taken to be insolvent or unable to pay its debts under any applicable legislation.
- (2) Where a default event has occurred in relation to a Trading Participant, AEMO may:
- (a) issue a default notice; or
  - (b) immediately issue a suspension notice if AEMO considers that the default event is not capable of remedy and that failure to issue a suspension notice would be likely to expose other Trading Participants to greater risk; and/or
  - (c) if it has not already done so, make a claim upon any credit support held in respect of the Trading Participant for such amount as AEMO determines represents the amount of any money actually or contingently owing by the Trading Participant to AEMO under this Part.

## **487 Default Notice**

- (1) A default notice issued by AEMO under this Part must specify:
- (a) the nature of the alleged default event; and
  - (b) the registrable capacity or capacities to which the default event relates; and

### **Note**

A default event of a financial nature relates to all registrable capacities of a Trading Participant.

- (c) that the Trading Participant must remedy the default event within 24 hours of the issue of the default notice; and
  - (d) any conditions applied to the Trading Participant, which may include but are not limited to restrictions relating to:
    - (i) submitting ex ante bids and MOS decrease offers; and
    - (ii) submitting and confirming the availability of contingency gas bids; and
  - (e) the date from which those restrictions will commence; and
  - (f) that AEMO will issue a suspension notice if the default is not remedied by the time specified under paragraph (c) or any later time agreed to in writing by AEMO.
- (2) On issuing a default notice, AEMO must:
  - (a) immediately inform all Trading Participants, STTM facility operators and STTM distributors; and
  - (b) publish the default notice as soon as practicable.
- (3) A Trading Participant must comply with a default notice issued to it.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.
- (4) Prior to the time determined under subrule (1)(f), AEMO must revoke a default notice if:
  - (a) the default event is remedied; and
  - (b) there are no other circumstances which would entitle AEMO to issue a default notice.
- (5) If a default notice is revoked, AEMO must:
  - (a) immediately inform all Trading Participants, STTM facility operators and STTM distributors; and
  - (b) publish a notice of that fact as soon as practicable.
- (6) If:

- (a) a default event is not remedied by time determined under subrule (1)(f); or
- (b) AEMO receives notice from the defaulting Trading Participant that it is not likely to remedy the default event,

AEMO must issue a suspension notice.

## **488 Suspension of a Trading Participant**

- (1) A suspension notice issued by AEMO under this Part must specify:
  - (a) the registrable capacity or capacities in which the Trading Participant is suspended;

### **Note**

Suspension for a default event of a financial nature relates to all registrable capacities of a Trading Participant.

- (b) the conditions applied to the suspended Trading Participant, which may include restrictions relating to:
    - (i) submitting ex ante bids and MOS decrease offers; and
    - (ii) submitting and confirming the availability of contingency gas bids; and
  - (c) specify in the suspension notice the gas day from which the suspension will commence.
- (2) On issuing a suspension notice, AEMO must:
  - (a) immediately inform all Trading Participants, STTM facility operators and STTM distributors; and
  - (b) publish the suspension notice as soon as practicable.

- (3) A Trading Participant must comply with a suspension notice issued to it.

### **Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

### **Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (4) Prior to the date specified in subrule (1)(c), AEMO must revoke a suspension notice if:
  - (a) the default event to which the suspension notice relates is remedied; and

- (b) there are no other circumstances which would entitle AEMO to issue a suspension notice.
- (5) If a suspension notice is revoked, AEMO must:
  - (a) immediately inform all Trading Participants, STTM facility operators and STTM distributors; and
  - (b) publish a notice of that fact as soon as practicable.
- (6) Following the issue of a suspension notice to a Trading Participant, AEMO may do any thing to give effect to the suspension notice, including:
  - (a) reject any ex ante bid, MOS decrease offer, or contingency gas bid submitted by that Trading Participant; and
  - (b) withhold the payment of any amounts otherwise due to that Trading Participant under this Part.
- (7) If AEMO does any thing under subrule (6) it must promptly publish a notice of that fact.
- (8) If AEMO issues a suspension notice to an STTM User that is a *Retailer*, AEMO must immediately notify the AER.
- (9) On completion of the RoLR process in relation to a suspended STTM User, AEMO must revoke the registration of that STTM User.
- (10) If AEMO issues a suspension notice to an STTM User that is not a retailer of natural gas, that STTM User must for each STTM distribution system in respect of which it has a registered distribution service, no later than 10 business days after the commencement of the gas day from which the suspension takes effect:
  - (a) transfer responsibility for all of its delivery points on the STTM distribution system at the relevant hub to another STTM User in accordance with the Retail Market Procedures of the relevant adoptive jurisdiction; or
  - (b) cease to withdraw natural gas from that STTM distribution system; or
  - (c) where the STTM User withdraws natural gas from an STTM pipeline for consumption in a facility that is taken to be an STTM distribution system under rule 372A(3), cease to withdraw natural gas at the relevant custody transfer point.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

## **Division 11      Market Reviews**

### **489      [Deleted]**

### **490      Review of hubs**

AEMO must conduct a review, to be completed by 31 March 2012, that examines the potential for a short term trading market to operate at prospective additional hubs, including the identification of options to integrate scheduling for hubs and prospective hubs that are connected by the same pipeline.

### **491      Review of within-day market**

AEMO must conduct a review, to be completed by 31 December 2012, of available options for additional or alternative STTM market processes that would operate within a gas day.

### **492      Review of market parameters**

- (1) AEMO must conduct periodic reviews of:
  - (a) the MPC; and
  - (b) the administered price cap; and
  - (c) the CPT horizon; and
  - (d) the cumulative price threshold; and
  - (d1) the MMP,to be completed:
  - (e) in the case of the first review under this rule, by 31 December 2012; and
  - (f) in the case of the second review under this rule, by 30 April 2018; and
  - (g) for each subsequent review, no later than 6 months after the completion of the reliability standard and settings review under clause 3.9.3A of the *NER*.
- (2) Following each review, AEMO must recommend the amount of each of the values in subrule (1) that it considers should apply from 1 July in the year commencing 2 years after the year in which the review is completed.
- (3) AEMO may also recommend the amount of any value in subrule (1) that should apply for the year commencing on 1 July in the year following the year in which the review is conducted, if:
  - (a) in AEMO's opinion, the assumptions on which that value was previously set have been shown to be incorrect in a material respect; and

- (b) AEMO has given due consideration to the impact of the change to the value on Trading Participants.
- (4) If:
  - (a) any corresponding value in respect of another Australian gas market or the national electricity market is reviewed; and
  - (b) the review finds that value should be changed,

AEMO must, after consultation with interested parties, determine whether to conduct a review under this rule earlier than would otherwise be required under subrule (1), and must publish that determination.

#### **493 Review of Division 8**

AEMO must conduct a review of the operation of Division 8 after the last gas day in respect of which contingency gas was scheduled in respect of the first contingency gas trigger event under that Division.

#### **494 Consultation requirements**

For each review to be conducted under this Division, AEMO must comply with the extended consultative procedure.

### **Division 12 Market Audit and Monitoring**

#### **495 Retention of information**

AEMO must retain all information provided to it under this Part for at least 7 years in a form in which the information is reasonably accessible.

#### **496 Market audit**

- (1) AEMO must appoint an independent and suitably qualified auditor to conduct a review of the STTM annually.
- (2) The review must examine compliance by AEMO with its processes and the effectiveness and appropriateness of systems utilised in the operation of the STTM, including:
  - (a) the calculations and allocations performed by the settlements systems; and
  - (b) billing and information systems; and
  - (c) the scheduling and pricing processes; and
  - (d) processes for software management and business continuity; and
  - (e) AEMO's compliance with this Part.

- (3) AEMO must establish the scope of each annual review after consultation with Trading Participants.
- (4) The review is to be carried out in accordance with the standard (as varied from time to time) for a review specified in Auditing Standard AUS106 (Explanatory Framework for Standards on Audit and Audit Related Services) prepared by the Auditing and Assurance Standards Board of the Australian Accounting Research Foundation.
- (5) AEMO must ensure that the auditor prepares a report setting out the results of the review, and must publish that report.

#### **497 AEMO to report on reviewable events**

- (1) AEMO must, within 30 business days after the conclusion of a reviewable event, prepare and publish a report:
    - (a) describing that reviewable event;
    - (b) setting out AEMO's assessment of:
      - (i) the actions taken by Trading Participants, STTM facility operators, STTM distributors and AEMO in relation to the reviewable event;
      - (ii) the effect of the reviewable event on the operation of the STTM;
      - (iii) whether the provisions of this Part were adequate to address the reviewable event; and
      - (iv) any other matter that AEMO considers relevant to the reviewable event; and
    - (c) in the case of a reviewable event described in subrule (2)(b), setting out AEMO's reasons for not scheduling any price steps that were:
      - (i) contained in contingency gas offers and were below the high contingency gas price; or
      - (ii) contained in contingency gas bids and were above the low contingency gas price,
- for the relevant hub on the relevant gas days.
- (1A) AEMO may, by notice published on its website, extend the period for publication of a report on a reviewable event described in subrule (2)(b) by up to a further 30 business days if necessary to allow AEMO to receive and consider evidence provided under rule 449.
  - (2) In this rule

**reviewable event** means:



- (a) an administered price cap state, administered ex post pricing state, market administered scheduling state or market administered settlement state, or a series of such states that relate to the same underlying event or circumstances; or
- (b) a contingency gas trigger event in respect of which AEMO publishes a notice under rule 441 and (if applicable) the scheduling and provision of contingency gas in relation to that contingency gas trigger event.

#### **498 AER monitoring of the STTM**

- (1) The AER must monitor trading activity in the STTM:
  - (a) with a view to ensuring that the trading activity is in accordance with this Part; and
  - (b) to identify any significant price variations.
- (2) The AER must develop and publish on its website guidelines as to what constitutes a significant price variation in the STTM.
- (3) If the AER identifies any significant price variations, the AER must:
  - (a) within 10 business days, notify Trading Participants of the relevant event or circumstances; and
  - (b) within 60 business days after the issue of the final statement for that gas day, publish on its website a report setting out the identified significant price variations.

### **Division 13 Dispute Resolution**

#### **499 Eligible parties**

For the purposes of Part 15C, the following persons are additional eligible parties in relation to a relevant dispute under or relating to this Part:

- (a) STTM facility operators; and
- (b) STTM distributors; and
- (c) allocation agents.

#### **500 Time limits**

- (1) For the purposes of rule 135H(2)(a), the latest time for service of a Stage 1 notice:
  - (a) for a dispute about whether a scheduling error has occurred or about compensation for a scheduling error — is 90 business days after the issue of the relevant schedule; and

- (b) for a dispute to which rule 472(4) applies — is the end of the period specified in that rule for raising the dispute.
- (2) For the purposes of rule 135HH(2), the maximum time limit for the Dispute resolution panel to decide any dispute arising under or in connection with this Part (except under rule 465) is:
  - (a) where the dispute involves two parties and one hearing of the Dispute resolution panel, 110 business days after the dispute was referred to the Dispute resolution panel; and
  - (b) where the dispute involves more than two parties or more than one hearing of the Dispute resolution panel, 150 business days after the dispute was referred to the Dispute resolution panel.

## **Division 14      Matched allocation agreements**

### **500A      Matched allocation agreements**

- (1) In respect of any matched allocation agreement that the parties wish to be registered under this rule, Jemena must give to AEMO a copy of the matched allocation agreement as soon as practicable after that agreement is entered into.
- (2) If required by AEMO, any party to a matched allocation agreement given to AEMO under subrule (1) must give to AEMO any additional information AEMO reasonably requires to satisfy itself that:
  - (a) the matched allocation agreement provides for an agreed or determinable quantity of natural gas withdrawn from the Sydney hub to be exactly matched with a quantity allocated to one or more facility services, without applying the allocation methodology that is generally applicable to the relevant STTM pipeline or STTM distribution system; and
  - (b) any quantity that is:
    - (i) withdrawn from the Sydney hub for the purposes of the agreement in excess of the quantity allocated under subrule (a); or
    - (ii) supplied to the Sydney hub for the purposes of the agreement in excess of the quantity withdrawn under that agreement,will be allocated to relevant trading rights of the parties in accordance with Division 7, and will not materially affect the allocation of quantities to other Trading Participants.
- (3) A registered matched allocation agreement must not be amended or its term extended (whether or not that extension is contemplated in the agreement) without the prior approval of AEMO.
- (4) If AEMO is satisfied that:

- (a) a matched allocation agreement given to it under subrule (1); or
- (b) a proposed amendment or extension of a registered matched allocation agreement,

meets the requirements in subrule (2), AEMO must register the matched allocation agreement, or approve the amendment or extension, as applicable.

**Note**

A quantity of natural gas supplied to or withdrawn from a hub cannot be treated as a matched allocation quantity unless the matched allocation agreement is registered by AEMO.

- (5) For the purpose of section 91BRD of the NGL, Jemena is exempted from registration under Part 15A in respect of its withdrawal of matched allocation quantities under a registered matched allocation agreement.
- (6) AEMO may revoke the registration of a registered matched allocation agreement if at any time:
  - (a) a party to that registered matched allocation agreement does not comply with a provision of this rule 500A; or
  - (b) AEMO determines that the registered matched allocation agreement no longer meets the requirements of subrule (2).
- (7) If a registered matched allocation agreement is terminated in accordance with its terms, the registration of that agreement expires automatically.

**500B Exclusion of matched allocation quantities**

- (1) Despite anything in rule 406, a Trading Participant is not required to include an expected matched allocation quantity in any ex ante offer, ex ante bid or price taker bid.
- (2) An STTM facility operator must exclude from a quantity notified to AEMO under rule 414(1) for a gas day, any matched allocation quantity that the STTM facility operator expects to be supplied to the Sydney hub using the STTM facility on that gas day.
- (3) An STTM pipeline operator that is a party to a registered matched allocation agreement must ensure that the allocation agent does not include any matched allocation quantity in an STTM facility allocation for the relevant STTM pipeline.
- (4) If requested by AEMO, an STTM facility operator must provide a report to AEMO of the matched allocation quantities used under subrule (2) on a gas day or range of gas days.
- (5) Within 30 business days after the end of each calendar quarter, each allocation agent referred to in subrule (3) must provide a report to AEMO of the matched

allocation quantities determined for the relevant STTM pipeline on each gas day during that quarter.

## Part 21                      Retail support obligations between distributors and retailers

### Division 1                Application and definitions

#### 501                      Application of this Part

This Part:

- (a) applies to a *distributor* and a *retailer* who have shared customers; and
- (b) prevails over any inconsistent provisions in a *distributor's* access arrangement or in a gas service agreement.

#### 502                      Definitions

In this Part:

**date of issue** of a statement of charges means the date on which the *distributor* sends the statement to the *retailer*.

**distribution service charges** means charges of a *distributor* for distribution services in respect of shared customers.

**Note:**

Distribution service charges may be charges for distribution pipeline services and charges for customer connection services.

**distributor** means a service provider who owns, operates or controls a distribution pipeline that is a covered pipeline.

**due date for payment** means 10 business days from the date of issue specified on a statement of charges.

**gas service agreement** means a contract, arrangement or understanding (however described) between a *distributor* and a *retailer* for the transportation of gas to the premises of shared customers whether pursuant to an access arrangement or otherwise.

**retail billing period** means a calendar month or any other period agreed between a *distributor* and a *retailer*.

**shared customer** has the same meaning as in the *NERL*.

**statement of charges**—see rule 506.

## Division 2      Billing and payment rules

### 503      Obligation to pay

Subject to this Part, a *retailer* must pay to a *distributor* the distribution service charges payable in respect of each shared customer by the due date for payment.

**Note:**

This rule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

### 504      Distributor to inform retailer of direct customer billing

- (1) Where a *distributor* and a shared customer agree that the customer will be responsible for paying distribution service charges directly to the *distributor* (a **direct billing arrangement**), the *distributor* may issue a bill to that customer for the services provided to that customer's premises.
- (2) The *distributor* must notify the *retailer* of the direct billing arrangement as soon as reasonably practicable after commencement of that arrangement.
- (3) A *retailer* has no liability to pay distribution service charges that have been, or are to be, billed to the shared customer under a direct billing arrangement.

### 505      Calculating distribution service charges

Distribution service charges must be calculated in accordance with the applicable access arrangement or gas service agreement.

### 506      Statement of charges

- (1) A *distributor* must provide a statement of distribution service charges (a **statement of charges**) to a *retailer* as agreed between the parties but no *later* than the 10th business day of the retail billing period next following the retail billing period to which the charges relate.
- (2) The statement of charges must include:
  - (a) the distribution service charges, separately identified, in respect of each shared customer's premises for which metering data was received, or a service request was completed, during that retail billing period; and
  - (b) the date of issue of the statement of charges, and the due date for payment; and
  - (c) where applicable, the metering data or estimated meter readings for each shared customer's premises; and
  - (d) any adjustments to distribution service charges from previous retail billing periods; and

**Note:**

see Rule 508.

- (e) where applicable, any credits for GSL payments that the *distributor* is required to make in respect of a shared customer's premises.
- (3) Subject to these Rules and the Retail Market Procedures, the format of the statement of charges must be as agreed between the *retailer* and *distributor* or, in default of agreement, as reasonably determined by the *distributor*.
- (4) In this rule:

**GSL payment** means a payment by a *distributor* in respect of non-compliance with a distribution service standard or distribution reliability standard.

**service request** means a request by a *retailer* to a *distributor* for a distribution service.

## **507 Time and manner of payment**

- (1) Subject to rule 510, a *retailer* must, by the due date for payment, pay the full amount specified in a statement of charges without set-off.
- (2) Payment must be made into the *distributor's* nominated bank account.

## **Division 3 Other general billing and payment matters**

### **508 Adjustment of distribution service charges**

- (1) If a *retailer* is not permitted to recover distribution service charges from a shared customer under the *NERL* or the *NERR*, then neither is the *distributor* permitted to recover those charges from the *retailer*.
- (2) Subject to subrule (1), distribution service charges contained in a statement of charges may be adjusted to account for:
  - (a) differences between estimated meter readings used for the purposes of a statement and metering data obtained after the issue of the statement; and
  - (b) any error in, or correction or substitution of:
    - (i) metering data; or
    - (ii) any other amount or factor that affects the calculation of the distribution service charges.
- (3) An adjustment under subrule (2) may be made by a *distributor* by including, in a subsequent statement of charges, the amount required to be paid by, or credited to, the *retailer* together with an explanation of the adjustment.

**Note:**

see also Rule 510.

## **509 Tariff reassignment**

- (1) *A retailer:*
  - (a) must, if a shared customer informs the *retailer* of a change in use of gas consumption at the customer's premises as a result of which the *retailer* reasonably considers that the existing tariff applying to the customer should no longer apply; and
  - (b) may, for any other reason, but not more than once in any 12 month period in respect of the same premises,  
  
request the *distributor* to review the tariff assigned to the customer.
- (2) The request is to include:
  - (a) the reasons for the request; and
  - (b) any relevant information provided by the customer; and
  - (c) the tariff proposed by the *retailer*.
- (3) On receipt of the request, the *distributor* must decide whether the tariff should be changed.
- (4) The *distributor* must inform the *retailer* of its *decision* and, if the *decision* is not to change the tariff or to assign a tariff other than that proposed by the *retailer*, the *distributor* must also inform the *retailer* of its reasons for the *decision*.
- (5) If the *distributor* decides to change the tariff, it must make the change in accordance with:
  - (a) the requirements of the *NERL* and the *NERR*; and
  - (b) any provisions of the *distributor's* access arrangement or a gas service agreement governing the assignment or re-assignment of *retail customers* to tariff classes; and
  - (c) the applicable Retail Market Procedures.

## **510 Disputed statements of charges**

If a *retailer* disputes an amount (the **disputed amount**) set out in a statement of charges, the following provisions apply:

- (a) the *retailer* must give written notice to the *distributor* of the disputed amount and the reasons for disputing payment;



**Note:**

A *retailer* may also give notice pursuant to this rule if it seeks an adjustment under rule 508 or where it disputes an adjustment made under that rule.

- (b) payment by the *retailer* of all or part of an amount set out in a statement of charges does not affect the right of the *retailer* to dispute the amount;
- (c) if the *retailer* has given notice under paragraph (a) and payment of the charges to which the statement relates has not yet been made, the *retailer* must pay the *distributor* by the due date for payment (unless the *distributor* agrees otherwise) the greater of:
  - (i) the undisputed component of the statement of charges; or
  - (ii) 80% of the total amount due under the disputed statement of charges;
- (d) the *retailer* must, if the dispute is not resolved by agreement of the parties within 10 business days after the date the *retailer* gave notice under paragraph (a), immediately submit the dispute for resolution or determination in accordance with Part 15C;
- (e) if the *retailer* fails to submit the dispute for resolution or determination in accordance with paragraph (d), the *distributor* may submit the dispute for resolution or determination in accordance with Part 15C;
- (f) subject to any determination of the Dispute resolution panel, if, following resolution or determination of the dispute, the amount due to the *distributor* is:
  - (i) more than the amount already paid by the *retailer*, the *retailer* must pay the difference to the *distributor* within 3 business days of the resolution or determination of the dispute, together with interest on the amount of the difference at the *default interest rate* for each day from the original due date for payment to the actual date of payment; or
  - (ii) less than the amount already paid by the *retailer*, the *distributor* must pay the difference to the *retailer* within 3 business days of the resolution or determination of the dispute, together with interest on the amount of the difference at the *default interest rate* for each day from the date the *retailer* made overpayment to the *distributor* to the actual date of repayment of the amount of the excess by the *distributor*.

## **511 Interest**

If requested, a *distributor* and a *retailer* must pay interest at the *default interest rate* on any amount due to the other under this Part that remains unpaid after the due date for payment, until the date on which that amount is paid in full.

## **512 Notification of changes to distribution service charges**

- (1) A *distributor* must notify a *retailer* of:

- (a) any proposed changes to its reference tariffs (preliminary information) no *later* than 2 business days after the date on which the changes are notified to the AER under these Rules; and
  - (b) any changes to the level of reference tariffs approved by the AER no *later* than 2 business days after the date on which the AER notifies the *distributor* of the approval; and
  - (c) any change in the level of other distribution service charges as soon as reasonably practicable after the *distributor* becomes aware of that change and, if the change requires the approval of the AER under an access arrangement or under these Rules, no *later* than 2 business days after the AER advises the *distributor* that the change (or the resulting charge) is approved by the AER.
- (2) A *retailer* must treat preliminary information notified under subrule (1)(a) as confidential information.
- (3) A *distributor* has no liability where proposed changes contained in preliminary information provided under subrule (1)(a) are subsequently not approved, or are modified, by the AER.

## **Division 4            Credit support required for late payment**

### **Note:**

The *credit support* rules set out in Division 4 are conduct provisions for the purpose of the *NGL*.

### **513            Application of Division 4**

This Division (to be known as the *credit support rules*) applies to a *distributor* and a *retailer*:

- (a) in respect of shared customers;
- (b) in respect of charges for services for which the *retailer* pays the *distributor* in arrears in accordance with a statement of charges under rule 506.

### **514            Distributor may require credit support in limited circumstances**

- (1) A *distributor* may only require a *retailer* to provide *credit support* if within the previous 12 months, the *retailer* has failed to pay in full:
  - (a) the charges contained in 3 statements of charges by the due date for payment; or
  - (b) the charges contained in 2 consecutive statements of charges by the due date for payment; or
  - (c) the charges contained in 1 statement of charges within 15 business days of the due date for payment.

and then only in accordance with the *credit support* rules.

- (2) A *distributor* may only require a *retailer* to provide *credit support* up to an amount equal to the charges contained in the most recent statement of charges that gave rise to the requirement for the *retailer* to provide *credit support* under rule 514(1).
- (3) If the *retailer* fails to pay charges contained in a statement of charges, but the charges are disputed, and the *retailer* has complied with the requirements of rule 510 in respect of the dispute, the *retailer* will not be considered in default in payment of the disputed charges and the *distributor* will not be entitled to require the *retailer* to provide *credit support*.

## **515 Retailer to provide credit support**

- (1) A *retailer* must, on request by a *distributor* under rule 514(1), provide *credit support* to a distributor in accordance with the *credit support* rules.
- (2) The *credit support* provided by a *retailer* must be:
  - (a) for an amount requested by the *distributor*, not exceeding an amount equal to the charges contained in the most recent statement of charges that gave rise to the requirement for the *retailer* to provide *credit support* under rule 514(1); and
  - (b) provided within 5 business days of the *distributor's* request; and
  - (c) an acceptable form of *credit support* in favour of the *distributor* (see rule 516).
- (3) A *retailer* must ensure that at all times the aggregate undrawn amount of the *credit support* is not less than the amount requested by a *distributor* in accordance with rule 514(1).

## **516 Acceptable form of credit support**

- (1) A *retailer* required to provide *credit support* under these rules must provide the *credit support* in an acceptable form.
- (2) An acceptable form of *credit support* is:
  - (a) a form of *credit support* that the *retailer* agrees to provide, and the *distributor* agrees to accept; or
  - (b) an undertaking:
    - (i) substantially in the form set out in Schedule 2 to this Part; and
    - (ii) issued by a financial institution acceptable to the *distributor*.

## **517 Application of credit support**

A *distributor* may only apply or draw on the *credit support* if:

- (a) the *distributor* has given not less than 3 business days' notice to a *retailer* that it intends to apply or draw on the *credit support* in respect of an amount due and payable by the *retailer* to the *distributor*, and that amount remains outstanding; and
- (b) there is no unresolved dispute under rule 510 about the *retailer*'s liability to pay that amount.

## **518 Return of credit support**

(1) If:

- (a) a *distributor* and a *retailer* no longer have any shared customers; or
- (b) in the 12 months since the *credit support* was provided, a *retailer* has paid in full the charges contained in each statement of charges issued in that 12 month period by the due date for payment,

the *distributor* must pay, cancel or return to the *retailer* as appropriate, any balance of *credit support* outstanding after payment of all amounts owing by the *retailer* to the *distributor*.

## **519 Other retailer obligations**

(1) A *retailer* must not take any steps to restrain (by injunction or otherwise):

- (a) an issuer of *credit support* from paying out, or otherwise satisfying, a claim properly made by the *distributor* under the terms of the *credit support*; or
- (b) the *distributor* from making a claim on the *credit support* in accordance with the *credit support* rules; or
- (c) the *distributor* from using the money obtained by calling on the *credit support*.

(2) A *distributor* may also disclose to its financiers, the AER or AEMO that it has required or called on *credit support* provided by the *retailer* under the *credit support* rules.

## **520 Pass through of unpaid distribution service charges**

- (1) If a *retailer insolvency event* occurs, a *distributor* may apply to the AER for approval to vary one or more reference tariffs by a *retailer insolvency* pass through amount in accordance with this rule.

- (2) To apply for approval to vary a reference tariff under subrule (1), a *distributor* must submit to the AER, within 90 business days of the occurrence of a *retailer insolvency event*, a written statement including:
  - (a) the *distributor's* proposed *retailer insolvency* pass through amount, showing the calculation of that amount taking into account the matters in subrule (3); and
  - (b) the portion of that amount that the *distributor* proposes to pass through to end users in each year of the applicable *access arrangement period* and how each reference tariff would be varied to achieve that pass through; and
  - (c) evidence of:
    - (i) the actual and likely increase in *retailer insolvency costs* referred to in subrule (3); and
    - (ii) the amount to which the *distributor* is entitled under any relevant *credit support*; and
    - (iii) the maximum amount of *credit support* (if any) that the *distributor* was entitled to request the *retailer* to provide under the *credit support* rules; and
    - (iv) any amount that the *distributor* is likely to receive on a winding-up of the *retailer*.
- (3) The *distributor* must propose, and the AER must determine, a *retailer insolvency* pass through amount that reflects the increase in the *retailer insolvency costs* that the *distributor* has incurred and is likely to incur in providing reference services until the end of the applicable *access arrangement period* solely as a consequence of the *retailer insolvency event*, but does not include:
  - (a) any amount recovered or recoverable from a *retailer* or a guarantor of a *retailer* under this Part; or
  - (b) any costs that are recoverable under a RoLR cost recovery scheme distributor payment determination.
- (4) In the event that a *retailer insolvency event* has occurred and the AER approves a *retailer insolvency* pass through amount under subrule (3) in respect of that event, the *distributor's* access arrangement is taken to be amended so that:
  - (a) the *retailer insolvency event* is taken to be an approved cost pass through event under that access arrangement; and
  - (b) the *retailer insolvency* pass through amount determined under subrule (3) is taken to be an approved cost pass through amount under that

access arrangement, allowing variation of the *distributor's* reference tariffs.

(5) In this rule 520:

**failed retailer** has the same meaning as in the *NERL*.

**billed but unpaid charges** means, in respect of a *distributor*, distribution service charges that have been billed to a *failed retailer* by the *distributor*, but that the *failed retailer* has not yet paid (whether before or after the relevant due date for payment).

**retailer insolvency costs** means in respect of a *distributor*:

- (a) billed but unpaid charges;
- (b) the actual amount of unbilled distribution service charges accrued by a *failed retailer*; and
- (c) other costs that the *distributor* has incurred or is likely to incur as a result of a *retailer insolvency event*.

**retailer insolvency event** means the failure of a *retailer* during an *access arrangement period*, to pay a *distributor* an amount to which the service provider is entitled for the provision of reference services, if:

- (a) an *insolvency official* has been appointed in respect of that *retailer*; and
- (b) the *distributor* is not entitled to payment of those charges in full under the terms of any *credit support* provided in respect of that *retailer*.

**RoLR cost of recovery scheme distributor payment determination** has the same meaning as in the *NERL*.

## Schedule 1 to Part 21

[Deleted].

## Schedule 2 to Part 21

(Rule 516)

### Prescribed Form of unconditional undertaking for credit support

In this deed:

- (a) ABC Ltd (ACN ... ..) is the *retailer*; and
- (b) DEF Ltd (ACN ... ..) is the *distributor*; and

(c) GHI Ltd (ACN ... ..) is the Financial Institution.

The Financial Institution unconditionally undertakes to pay, on demand by the *distributor*, to the *distributor* any sum or sums up to a maximum aggregate of \$.....

The payment or payments are to be made forthwith and unconditionally, without reference to the *retailer*, and despite any instruction from the *retailer* not to make the payment or payments.

A demand for payment under this deed is to be made on behalf of the *distributor* by .....[*name of person authorised to act on behalf of the distributor*]

This deed is terminated if:

- (a) the *distributor* notifies the Financial Institution that it no longer requires the Financial Institution's undertaking; or
- (b) the Financial Institution pays to the *distributor* a sum or sums amounting to its maximum aggregate liability under this deed; or
- (c) the parties agree to terminate it.

Executed as a deed at ..... this ..... day of .....  
20 .....

## Part 22 Gas Trading Exchange

### Division 1 Preliminary

#### 532 Application of this Part

This Part contains rules applicable to a gas trading exchange.

#### 533 Definitions

In this Part:

**capacity trading and auction costs** has the meaning given in rule 135C.

**exchange agreement** means the gas trading exchange agreement as defined in the *NGL*.

**market conduct rules** means Division 5 of this Part.

**membership agreement** means an agreement by which a person agrees with the Operator to become a gas trading exchange member and to comply with the terms of the exchange agreement.

**Operator** means AEMO or, if and to the extent that AEMO has appointed a person to operate the gas trading exchange in accordance with rule 535, that person.

**primary facility agreement** has the meaning given in Part 24.

**product** means goods or a service (or a combination of goods and services) that may be traded on the gas trading exchange.

**publish**, by the Operator, means to make publicly available on the Operator's website.

### Division 2 Operator

#### 534 Fees recoverable by AEMO

- (1) AEMO may charge fees (**exchange fees**) relating to the establishment, operation and administration of the gas trading exchange payable by gas trading exchange members, or categories of gas trading exchange members, in accordance with the exchange agreement.
- (2) Exchange fees should be sufficient to cover AEMO's budgeted costs of establishing, operating and administering the gas trading exchange and any amount determined to be recoverable as exchange fees under Part 15A as a contribution to capacity trading and auction costs.



- (3) AEMO must consult with gas trading exchange members on the structure, introduction and determination of exchange fees.
- (4) Rules 135CA(4), 135CA(4A), 135CA(5) and 135CA(6) apply to exchange fees as if references in those provisions to:
  - (a) participant fees were to exchange fees; and
  - (b) budgeted revenue requirements were to AEMO's budgeted costs referred to in subrule (2).

### **535 Appointment of Operator by AEMO**

- (1) AEMO may appoint a person to operate all or any part of a gas trading exchange if AEMO is satisfied that the person:
  - (a) has the necessary qualifications and expertise to perform the relevant functions and exercise the relevant powers of the Operator; and
  - (b) has no interest that compromises, or would reasonably be seen to compromise, its ability to operate the gas trading exchange in an impartial manner; and
  - (c) is authorised under all applicable laws to perform those functions and exercise those powers.
- (2) Before appointing a person under subrule (1), AEMO must consult with gas trading exchange members in relation to the proposed appointment.
- (3) AEMO is not responsible for the fees, costs or expenses of any person appointed under this rule, which may only be recovered in accordance with the exchange agreement.

### **536 Determination of payments**

- (1) Subject to subrule (2), the amount payable by or to a gas trading exchange member in respect of a product traded on the gas trading exchange must give effect to the terms of an order submitted by the relevant gas trading exchange member in accordance with the exchange agreement.
- (2) The Operator must determine, in accordance with the methodology established under subrule (3), amounts payable by or to gas trading exchange members in respect of, or as a consequence of:
  - (a) a failure to deliver, supply or accept goods or services in accordance with the exchange agreement; and
  - (b) the closing out of obligations of a gas trading exchange member pursuant to rule 538(4).

- (3) The Operator must make, and may amend, a methodology for determining amounts payable in the circumstances contemplated in subrule (2), which must give effect to the following principles:
  - (a) the manner in which an amount in respect of a given set of circumstances is calculated must be the same for all transactions for a particular product; and
  - (b) an amount may be calculated by reference to the price applicable to a particular transaction or to a price determined by the Operator; and
  - (c) where the Operator determines a price to calculate an amount, the price in respect of any given period must be the same for all transactions for a particular product.
- (4) The Operator must make the methodology available to gas trading exchange members, the AER and any other person who requests a copy.
- (5) In making and amending the methodology, the Operator must consult with gas trading exchange members.
- (6) An amount determined under subrule (2) in respect of a gas trading exchange member and referable to a particular period of time is due and payable:
  - (a) by that gas trading exchange member to the Operator; or
  - (b) by the Operator to the gas trading exchange member,as the case may be, under the exchange agreement and in accordance with its settlement provisions, and may be set off against other amounts (including exchange fees) payable between the Operator and the gas trading exchange member under the exchange agreement.

#### **536A Payments where primary facility agreement is terminated**

- (1) The exchange agreement must provide for the Operator to pay the amount determined to be payable to a facility operator in accordance with rule 639 in relation to the provision of a transportation service after termination of a primary facility agreement.
- (2) The exchange agreement must provide for a gas trading exchange member whose primary facility agreement is terminated to pay to the Operator under the exchange agreement, or have its payments under the exchange agreement reduced by, an amount equal to the amount payable under subrule (1) in respect of the use of transportation capacity first derived from that primary facility agreement.
- (3) A payment referred to in subrule (2) may be set off against other amounts (including exchange fees) payable between the Operator and the gas trading exchange member under the exchange agreement.

## **Division 3            Membership and Participation**

### **537            Becoming a member**

- (1) Any person may apply to the Operator to become a gas trading exchange member in accordance with the exchange agreement.
- (2) The exchange agreement may provide for different categories of membership.
- (3) The Operator must enter into a membership agreement with an applicant that satisfies the criteria for membership in the relevant category as set out in the exchange agreement.

### **538            Suspension and termination**

- (1) The Operator may, in accordance with the exchange agreement, suspend or limit the access of a gas trading exchange member to the gas trading exchange or suspend it from trading in specified products if:
  - (a) the gas trading exchange member ceases to satisfy the applicable criteria for trading;
  - (b) a suspension event, as described in the exchange agreement, occurs in relation to the gas trading exchange member;
  - (c) the Operator is otherwise required or permitted to do so under the exchange agreement.
- (2) The Operator may terminate the membership agreement of a gas trading exchange member if a default event, as described in the exchange agreement, is not remedied within the period specified in the exchange agreement.
- (3) The Operator must terminate the membership agreement of a gas trading exchange member at its request, if the Operator is satisfied that the gas trading exchange member has met all of its obligations and has no contingent liabilities under the exchange agreement.
- (4) If the Operator is entitled to terminate the membership agreement of a gas trading exchange member, the Operator may, instead of or in addition to termination and in accordance with the exchange agreement:
  - (a) close out the obligations of the parties under relevant transactions entered into by that person but not yet performed;
  - (b) require the payment of amounts actually or contingently owing by that person;
  - (c) draw on and apply any credit support or collateral provided to the Operator by or in relation to that person;

- (d) do all other things permitted under the exchange agreement to secure payment by, or reduce the potential liability of, that person in relation to the gas trading exchange.

## **Division 4            Exchange Agreement**

### **539            Requirement for exchange agreement**

- (1) An exchange agreement must be in effect at all times during the period of operation of the gas trading exchange and must be published by the Operator.
- (2) AEMO must make and publish the first exchange agreement before the day on which the operation of the gas trading exchange first commences.
- (3) The exchange agreement must address each of the matters specified in rule 541 and, subject to this Part, may include any other matter relevant to the gas trading exchange.

### **540            Amendment of exchange agreement**

- (1) The Operator may only amend the exchange agreement if it is satisfied that the amendment:
  - (a) is consistent with the *NGL* and these rules; and
  - (b) is appropriate having regard to:
    - (i) the national gas objective; and
    - (ii) any compliance costs likely to be incurred by the Operator or gas trading exchange members in consequence of the amendment.
- (2) Any person may propose an amendment to the exchange agreement and the Operator must publish any proposed amendment it makes or receives.
- (3) The Operator may only reject a proposed amendment without consultation if the Operator reasonably considers that the proposal:
  - (a) is inconsistent with the gas trading exchange functions;
  - (b) is similar to a proposal considered, but rejected, in the previous 12 months; or
  - (c) is misconceived or lacking in substance.
- (4) Unless subrule (3) applies, the Operator must consult on a proposed amendment with gas trading exchange members and any other person the Operator considers to be affected by the proposed amendment, in accordance with the process specified in the exchange agreement.

- (5) The exchange agreement must include the following minimum requirements for consulting and deciding on amendments to the exchange agreement:
- (a) the Operator must allow a period for consulted parties to make submissions on the proposed amendment that is reasonable in all the circumstances, and not less than:
    - (i) 10 business days in relation to an amendment of a minor or administrative nature or a matter that, if not addressed urgently, will result in that matter imminently prejudicing or threatening the effective operation of the gas trading exchange;
    - (ii) 20 business days in any other case; and
  - (b) the Operator must publish its reasons for making any amendment or deciding to reject any proposal; and
  - (c) the Operator must notify the AER of any amendments to the exchange agreement on or before the effective date of those amendments; and
  - (d) the Operator must allow a reasonable time for gas trading exchange members to take any measures necessary to comply with an amended exchange agreement before the amendment comes into effect.

## **541 Minimum content of exchange agreement**

The exchange agreement must set out:

- (a) the criteria that a person must satisfy to become a gas trading exchange member, either generally or in any particular category of membership, which must include a requirement to enter into a membership agreement with the Operator; and
- (b) the form of membership agreement; and
- (c) a description of the products offered for trading on the gas trading exchange from time to time; and
- (d) any criteria that a gas trading exchange member must satisfy in order to participate in the trading of a product; and
- (e) a requirement to provide security for payment in respect of products traded, including the form and amount of acceptable security and the circumstances in which the Operator may call on security provided; and
- (f) procedures and timing requirements for conducting trading, concluding transactions, payment and settlement; and
- (g) provisions for the calculation of net settlement amounts payable by or to gas trading exchange members from time to time, incorporating exchange fees and amounts determined under rule 536 or required under rule 536A; and

- (h) obligations of the Operator and gas trading exchange members to maintain the security and integrity of the trading platform; and
- (i) the process for the suspension or limitation of access to the gas trading exchange, or trading in specified products, by a gas trading exchange member; and
- (j) the events or circumstances that are default events in respect of a gas trading exchange member and the steps the Operator may take in respect of a default event; and
- (k) the process for termination of a membership agreement; and
- (l) the timing and content of market information to be made available by the Operator; and
- (m) the process for amending the exchange agreement, subject to rule 540.

## **Division 5            Market Conduct Rules**

### **542            General requirements**

A gas trading exchange member must, in relation to its activities in connection with the gas trading exchange or the products it trades on the gas trading exchange:

- (a) comply with all applicable laws relevant to the performance of its obligations; and
- (b) not act fraudulently, dishonestly or in bad faith; and
- (c) not engage in any conduct with the intent of distorting or manipulating prices (including reported prices) or misleading any person.

#### **Note**

This rule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

#### **Note**

This rule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

### **543            Conduct in relation to trading**

- (1) A gas trading exchange member must not submit offers to buy or sell products on the gas trading exchange:
  - (a) if the gas trading exchange member knows, or ought to know, that it will not be able to perform its obligations under a resulting transaction;
  - (b) with the intention of defaulting in its performance;

- (c) with the intention of causing a transaction with itself; or
  - (d) with the intention of causing a transaction with an associate, in circumstances where the terms of that transaction may be varied on terms that would not reasonably be agreed with a separate unrelated party.
- (2) A gas trading exchange member must not intentionally or recklessly default in the performance of its obligations under any transaction arising on the gas trading exchange.
- (3) A gas trading exchange member must not manipulate or attempt to manipulate the price of products traded on the gas trading exchange.

**Note**

This rule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

**Note**

This rule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

## **543A No short selling of transportation capacity**

- (1) A gas trading exchange member must only sell transportation capacity on the gas trading exchange if, at the time of sale:
  - (a) the person has; or
  - (b) the person reasonably believes on reasonable grounds that the person has, a presently exercisable and unconditional right to transfer the transportation capacity to the buyer.
- (2) For the purposes of subrule (1):
  - (a) a person who, at a particular time, has a presently exercisable and unconditional right to have transportation capacity transferred to the person or in accordance with the directions of the person, has at that time a presently exercisable and unconditional right to transfer the transportation capacity to another person; and
  - (b) a right of a person to transfer transportation capacity to another person is not conditional merely because the transportation capacity is subject to a security interest (as defined under the Corporations Act 2001 of the Commonwealth) in favour of another person to secure the payment of money.
- (3) Subrule (1) does not apply in relation to a sale of transportation capacity by a person who, before the time of sale, has entered into a contract to buy the

transportation capacity and who has a right to have the transportation capacity transferred to that person that is conditional only upon all or any of the following:

- (a) payment of the consideration in respect of the purchase; or
  - (b) validation of the transfer by a transportation service provider; or
  - (c) there being no impediment to transfer under the Capacity Transfer and Auction Procedures.
- (4) For the purposes of subrule (1), a person who submits an offer to sell transportation capacity on the gas trading exchange or registers a sale of transportation capacity under the exchange agreement as a seller is taken to sell the transportation capacity on the gas trading exchange.

#### **544 Conduct in relation to information**

- (1) A gas trading exchange member must take all reasonable steps to ensure that all data and information given to the Operator or another gas trading exchange member in accordance with the exchange agreement is correct.
- (2) A gas trading exchange member must comply with its obligations under the exchange agreement to keep information confidential.

**Note**

This rule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

**Note**

This rule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

#### **545 AER monitoring of gas trading exchange**

- (1) The AER must monitor trading activity on the gas trading exchange with a view to ensuring that gas trading exchange members are in compliance with the market conduct rules.
- (2) The AER may, in connection with its investigation of a gas trading exchange member's compliance with the market conduct rules, request the Operator to suspend or limit the access of that member to a gas trading exchange if the AER considers that continued trading by that member may materially and adversely affect:
  - (a) the financial position of other gas trading exchange members;
  - (b) the integrity of the gas trading exchange.
- (3) The Operator must comply with a request by the AER under subrule (2).



## **Part 23                      Access to non-scheme pipelines**

### **Division 1                      Preliminary**

#### **546                      Objective**

- (1) The objective of this Part is to facilitate access to pipeline services on non-scheme pipelines on reasonable terms, which, for the purposes of this Part, is taken to mean at prices and on other terms and conditions that, so far as practical, reflect the outcomes of a workably competitive market.
- (2) This Part is intended to contribute to achieving the objective in subrule (1) by means of:
  - (a) requirements for the publication and exchange of information to facilitate timely and effective commercial negotiations in relation to access to non-scheme pipelines;
  - (b) a commercially-orientated arbitration process to resolve access disputes in a cost-effective and efficient manner; and
  - (c) principles that the arbitrator must have regard to when determining access disputes, which are consistent with the outcomes of a workably competitive market.

#### **547                      Application**

- (1) This Part is made for section 83A and Chapter 6A of the *NGL*.
- (2) This Part does not apply in Western Australia until the day an order under section 7A of the *National Gas Access (WA) Act 2009* of Western Australia in relation to the *National Gas (South Australia) (Pipelines Access – Arbitration) Amendment Act 2017* of South Australia is published in the Western Australian Government Gazette or, if a later day is specified in the order, on that day.

#### **548                      Structure of this Part**

- (1) Division 1 sets out the objectives of this Part and deals with preliminary matters.
- (2) Division 2 sets out information that must be published by the service provider for a non-scheme pipeline.
- (3) Division 3 provides for access requests and negotiations.
- (4) Division 4 provides for the arbitration of access disputes.
- (5) Division 5 contains provisions about the role of the scheme administrator.

- (6) Division 6 provides for exemptions from the application of this Part.

## 549 Definitions and interpretation

- (1) In this Part:

**access contract** means a contract between a user and a service provider under which the service provider provides or will provide a pipeline service on a non-scheme pipeline to the user.

**access determination** is defined in section 216A of the *NGL* and includes an interim access determination and a final access determination.

**access dispute** has the meaning in section 216A of the *NGL*.

**access dispute notice** is defined in rule 564.

**access information standard** is defined in rule 551.

**access negotiation information** means, in relation to a party to negotiations under this Part, the following information of the party:

- (a) access offer information; and
- (b) any other information that the party may seek to rely on for the determination of an access dispute in relation to the subject matter of the negotiations,

including information prepared for the party such as expert reports and consultant reports, data sets, models and other documents or materials.

**access offer** means an offer to provide access to a pipeline service that complies with rule 560.

**access offer information** means information relevant to the principles and other matters in rule 569 and includes:

- (a) information about the method used to determine the price in an access offer and the inputs used in the calculation of the price; and
- (b) information regarding the costs associated with the provision of a pipeline service sought by a prospective user.

**access request** means a request referred to in rule 559.

**application date** means:

- (a) in relation to a pipeline that is a non-scheme pipeline on the commencement date – the date falling 5 months after the commencement date;

- (b) in relation to a pipeline that becomes a non-scheme-pipeline within 5 months after the commencement date – the date falling 5 months after the commencement date; and
- (c) in relation to any other pipeline, the later of:
  - (i) the date the pipeline is commissioned; and
  - (ii) the date the pipeline becomes a non-scheme pipeline.

**Note:**

Section 12 of the NGL defines when a pipeline is commissioned.

**arbitrator**, in relation to an access dispute, means the pool arbitrator to whom the dispute has been referred for determination.

**business day** means a day that is not a Saturday, Sunday or public holiday in any participating jurisdiction or in relation to a pipeline in Western Australia, that jurisdiction alone.

**commencement date** means the date this Part commences.

**confidential information**, in relation to an arbitration under this Part, means information that relates to the access dispute or the arbitration or to an access determination made in that arbitration and includes the following:

- (a) statements under rule 567 and other statements in the nature of pleadings or submissions, and other information supplied to the arbitrator by a party to the access dispute;
- (b) any information supplied by a party to another party in compliance with a direction of the arbitrator;
- (c) any evidence (whether documentary or otherwise) supplied to the arbitrator;
- (d) any notes made by the arbitrator of oral evidence or submissions given before the arbitrator;
- (e) any transcript of oral evidence or submissions given before the arbitrator;
- (f) any rulings of the arbitrator; and
- (g) any access determination of the arbitrator.

**disclose**, in relation to confidential information, includes publishing or communicating or otherwise supplying the confidential information.

**dispute hearing** has the meaning in section 216A of the *NGL*.

**distribution pipeline** has the meaning in section 216A of the *NGL*.

**exemption** means an exemption granted under Division 6.

**existing access contract** means, at any time, an access contract in force at that time, even if the service term for one or more pipeline services provided under the access contract has not commenced.

**final access determination** means a determination made under rule 572.

**financial information** means the information required to be published under rule 555.

**financial reporting guidelines** means the guidelines published by the AER under rule 557 as amended from time to time.

**further investigations** means investigations to determine the terms and conditions for provision of a pipeline service sought by a prospective user in a manner that is technically feasible and consistent with the safe and reliable operation of the pipeline.

**Gas Bulletin Board** means, as applicable:

- (a) the Natural Gas Services Bulletin Board established under Part 18 of the Rules; or
- (b) the gas bulletin board established under the *Gas Services Information Act 2012* of Western Australia.

**gas day** means in respect of a pipeline, the 24 hour period for which nominations for use of pipeline services on the pipeline are provided or if no such nomination period applies to the pipeline, the 24 hour period commencing at 6:00 am Australian eastern standard time.

**information** includes data.

**interim access determination** means a determination referred to in rule 571.

**nameplate rating** means, in relation to a transmission pipeline and for each direction in which natural gas can be transported on the pipeline, the maximum quantity of natural gas that can be transported through the pipeline on a gas day for the pipeline in that direction under normal operating conditions.

**non-scheme pipeline** means a pipeline to which Chapter 6A of the *NGL* applies.

**non-scheme pipeline arbitration guide** means the guide published by the scheme administrator under rule 584.

**pool arbitrator** means a member of the pool of arbitrators established under rule 583.

**pipeline information** is defined in rule 553(2).

**pipeline service information** is defined in rule 553(3).

**pricing principles** means the principles in rule 569(3).

**prospective user** has the meaning in section 216B of the *NGL*.

**scheme administrator** has the meaning in section 216A of the *NGL*.

**service and access information** is defined in rule 553(1).

**service availability information** is defined in rule 553(5).

**service provider** has the meaning in section 8 of the *NGL*.

**service term** in relation to a pipeline service provided to a user under an access contract means the period during which the pipeline service is available to the user under that access contract.

**service usage information** is defined in rule 553(4).

**standing terms** means the information required to be published under rule 554.

**terms and conditions** includes price and non-price terms and conditions.

**transmission pipeline** has the meaning in section 216A of the *NGL*.

**weighted average price information** is defined in rule 556.

**user access guide** for a non-scheme pipeline means the user access guide published for the non-scheme pipeline under rule 558.

- (2) In this Part, a reference to a pipeline service on a pipeline includes a service provided by means of the pipeline and a service ancillary to the provision of a service provided by means of the pipeline.
- (3) For the purposes of this Part, a pipeline service is to be treated as distinct from another pipeline service having regard to matters including service type (for example, forward haul, backhaul, park and loan) and the priority of the service relative to other pipeline services of the same type.
- (4) For the purposes of this Part, in relation to a prospective user, a pipeline service is also to be treated as distinct from another pipeline service having regard to the service term and the capacity sought by the prospective user.
- (5) For the purpose of this Part, the circumstances in which a service provider for a non-scheme pipeline provides a pipeline service to a user indirectly include where:
  - (a) an associate of the service provider provides the pipeline service to the user; and
  - (b) the pipeline service is bundled with the supply of natural gas.

**Note:**

Section 2 of the *NGL* defines associate and supply.

## **550 Pipeline classification**

- (1) For the purposes of this Part, each part of a pipeline classified under the *NGL* or another Part is taken to have the same classification.

**Note:**

Refer to sections 18 and 19 of the *NGL*.

- (2) For the purposes of this Part, a pipeline that is not classified under the *NGL*, another Part or subrule (1) is classified as a transmission pipeline or a distribution pipeline applying the pipeline classification criterion in section 13 of the *NGL*.

## **Division 2 Information**

### **551 Access information standard**

- (1) A service provider required by this Division to prepare, publish and maintain information must do so in accordance with the access information standard.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (2) The **access information standard** means that the information:
- (a) is not false or misleading in a material particular;
  - (b) in relation to information of a technical nature, is prepared, published and maintained in accordance with the practices, methods and acts that would reasonably be expected from an experienced and competent person engaged in the ownership, operation or control of a pipeline in Australia acting with all due skill, diligence, prudence and foresight; and
  - (c) in relation to a forecast or estimate, is supported by a statement of the basis of the forecast or estimate and:
    - (i) is arrived at on a reasonable basis; and
    - (ii) represents the best forecast or estimate possible in the circumstances.
- (3) Where a service provider becomes aware that information required to be published by it under this Part does not comply with the access information standard or this Part, the service provider must publish information that does comply as soon as practicable after the service provider becomes aware of the non-compliance.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (4) Information published under this Part must include the date of publication, the date to which the information is current and, if the information replaces an earlier version as provided for by subrule (3), notice of that fact.

## 552 Obligation to publish information

- (1) Subject to subrule (5), a service provider for a non-scheme pipeline must prepare, publish and maintain:
- (a) the service and access information specified in rule 553;
  - (b) standing terms in accordance with rule 554;
  - (c) the financial information specified in rule 555; and
  - (d) weighted average price information, subject to rule 556(3),

in accordance with the *NGL*, this Part and the financial reporting guidelines.

### Note:

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (2) The information referred to in subrule (1) must be published at the following times.

service and access information	pipeline information	No later than 20 business days after the application date for the non-scheme pipeline.  Updated pipeline information must be published within 20 business days after there is a change.
	pipeline service information	No later than 20 business days after the application date for the non-scheme pipeline.  Updated pipeline service information must be published within 20 business days after a new pipeline service is added or an existing pipeline service changes or is withdrawn.
	service usage information	Each month after the application date for the non-scheme pipeline, by the last business day of the month for the prior month.
	service availability	Each month after the application date for the non-scheme pipeline, by the

	information	last business day of the month for the next 36 or 12 months as applicable.
standing terms		No later than 20 business days after the application date for the non-scheme pipeline.  Updated standing terms must be published within 20 business days after a new pipeline service is added or an existing pipeline service changes or is withdrawn.
financial information		Annually no later than four months after the end of the financial year of the service provider for the non-scheme pipeline.
weighted average price information		Annually no later than four months after the end of the financial year of the service provider for the non-scheme pipeline.

- (3) A service provider for a non-scheme pipeline must publish the information referred to in subrule (1) by:
  - (a) making the information publicly available on the service provider's website; or
  - (b) where the information is also required to be provided by the service provider for a non-scheme pipeline to AEMO for publication on a Gas Bulletin Board, by providing a publicly available link on its website to the part of the Gas Bulletin Board where the information is to be located.
- (4) When the service provider for a non-scheme pipeline publishes financial information and weighted average price information, it must notify the AER without delay that the information has been published.
- (5) A service provider for a non-scheme pipeline is not required to comply with subrule (1) in relation to a non-scheme pipeline to the extent that an exemption from the obligation to publish the information has been granted in relation to the non-scheme pipeline and that exemption remains in effect.
- (6) A service provider for a non-scheme pipeline must ensure that historical service usage information, financial information and weighted average price information for its non-scheme pipeline continues to be publicly available for a period of 5 years after the date the information is first published, by publishing the information in accordance with subrule (3).



## **553 Service and access information**

- (1) The service and access information comprises:
  - (a) the pipeline information described in subrule (2);
  - (b) the pipeline service information described in subrule (3);
  - (c) the service usage information described in subrule (4); and
  - (d) the service availability information described in subrule (5).
- (2) The pipeline information in respect of a non-scheme pipeline comprises:
  - (a) the classification of the pipeline as either a transmission pipeline or a distribution pipeline, determined in accordance with rule 550;
  - (b) for a transmission pipeline:
    - (i) the pipeline's nameplate rating;
    - (ii) the details of all receipt or delivery points on the pipeline and key facilities to which those receipt or delivery points connect; and
    - (iii) a schematic map of the pipeline that shows the location on the pipeline of each receipt or delivery point and other key facilities;
  - (c) for a distribution pipeline:
    - (i) the quantity of natural gas that can be transported through each gate station on the distribution pipeline in any 24 hour period;
    - (ii) the details of all points on the pipeline where the service provider takes delivery of natural gas; and
    - (iii) a schematic map of the pipeline that shows the location on the pipeline of the points referred to in paragraph (ii) and the geographic limits of the areas served by the pipeline;
  - (d) any technical or physical characteristics of the pipeline that may affect access to or use of the pipeline or the price for pipeline services on the pipeline; and
  - (e) policies of the service provider that may affect access to or use of the pipeline or the price for pipeline services on the pipeline which may include:
    - (i) queuing requirements;
    - (ii) a receipt or delivery point change policy;
    - (iii) a metering and measurement policy; and

- (iv) for a distribution pipeline – a balancing policy.
- (3) The pipeline service information for a pipeline comprises a list of the pipeline services available on the pipeline and for each pipeline service:
- (a) a description of the service and any locational limitations on availability; and
  - (b) the priority ranking of the service in relation to the other pipeline services including when scheduling and in the event of curtailment.
- (4) The service usage information for a pipeline for a month comprises:
- (a) the total quantity of natural gas metered as having been injected into the pipeline during the month;
  - (b) the total quantity of natural gas metered as having been withdrawn from the pipeline during the month;
  - (c) the total quantity of natural gas scheduled for injection into the pipeline during the month (after taking into account rescheduling);
  - (d) the total quantity of natural gas scheduled for withdrawal from the pipeline during the month (after taking into account rescheduling); and
  - (e) of the scheduled quantities referred to in paragraphs (c) and (d), the quantities attributable to each pipeline service on the pipeline as identified in the pipeline service information.
- (5) The service availability information for a pipeline for a month comprises:
- (a) an outlook of the firm capacity of the pipeline that the service provider has available for sale or that it will have available for sale for each month in the following 36 month period;
  - (b) information about matters expected to affect the capacity of the pipeline (including any planned expansions of the capacity) for each month in the following 12 month period, including:
    - (i) the expected start and end dates of the matters expected to affect the capacity of the pipeline;
    - (ii) a description of the matters expected to affect the capacity of the pipeline; and
    - (iii) the expected capacity of the pipeline during the period it is affected by the matters referred to in paragraphs (i) and (ii); and
  - (c) information on any other limitations on the availability of the pipeline services identified in the pipeline service information.

## **554 Standing terms**

- (1) The service provider for a non-scheme pipeline must publish:
  - (a) standing terms for each pipeline service on the pipeline in accordance with subrule (2); and
  - (b) the methodology used to calculate the standing price referred to in subrule (2)(b) and sufficient information to enable prospective users to understand how the standing price reflects the application of the methodology.
- (2) The standing terms must in each case include:
  - (a) the service provider's standard terms and conditions applicable to the pipeline service;
  - (b) the standing price, being the price applicable to the pipeline service under the terms and conditions referred to in paragraph (a); and
  - (c) other information about prices and charges applicable to the pipeline service including the charging structure for the pipeline service, any minimum charge and any additional charges such as imbalance or overrun charges.

## **555 Financial information**

- (1) A service provider for a non-scheme pipeline must prepare and publish on its website financial information about each of its non-scheme pipelines. The financial information must:
  - (a) be in the form and contain the information specified in the financial reporting guidelines; and
  - (b) be certified in the manner provided for in the financial reporting guidelines.
- (2) To avoid doubt, an arbitrator is not bound by financial information published under this rule or by any methods, principles or inputs that have been used to calculate financial information published under this rule.

## **556 Weighted average price information**

- (1) Subject to subrule (3), a service provider for a non-scheme pipeline must prepare and publish on its website weighted average price information for each of its non-scheme pipelines. The weighted average price information must:
  - (a) be determined using a methodology set out in the financial reporting guidelines;
  - (b) be in the form and contain the information specified in the financial reporting guidelines; and

- (c) be certified in the manner provided for in the financial reporting guidelines.
- (2) The weighted average price information for a non-scheme pipeline means:
  - (a) the weighted average prices paid by users for pipeline services in a financial year of the service provider of the non-scheme pipeline; and
  - (b) a description of the methodology used by the service provider to calculate the weighted average prices.
- (3) Subject to subrule (4), a service provider is not required to publish the weighted average price information for a pipeline service for a financial year if:
  - (a) during the relevant period, the pipeline service was provided, directly or indirectly, to no more than 2 users of the non-scheme pipeline; and
  - (b) the service provider gives a notice to the AER at least 20 business days before the date required for publication that the service provider is not publishing the information for that financial year, specifying the pipeline service to which the notice relates and certifying the pipeline service was provided to no more than 2 users of the non-scheme pipeline during the relevant period.
- (4) Where a notice is given to the AER under subrule (3), the AER may by notice to the service provider require the service provider to treat two or more pipeline services on the non-scheme pipeline as if they were the same pipeline service and calculate and publish weighted average price information for the financial year on that basis. A service provider must comply with a notice given to it under this subrule.

## **557 Financial reporting guidelines**

- (1) The AER must publish and maintain financial reporting guidelines under this Part.
- (2) The financial reporting guidelines must:
  - (a) provide for the publication of financial information about each non-scheme pipeline on a pipeline by pipeline basis and in respect of the financial year of the service provider for the pipeline, which may include:
    - (i) financial statements;
    - (ii) information on the methods, principles and inputs used to calculate:
      - (A) the value of any assets used in the provision of pipeline services;
      - (B) depreciation allowances;
      - (C) the allocation of costs between the different categories of pipeline services provided by the pipeline; and

- (D) the allocation of costs to the pipeline if the service provider operates more than one pipeline; and
  - (iii) financial performance metrics;
  - (b) specify the methods, principles and inputs to be used to calculate weighted average price information and the form this information is to take;
  - (c) specify the level of detail of information required, which must be the level of detail reasonably required given the objectives of this Part and to provide a true and fair statement of the financial performance of the non-scheme pipeline and weighted average prices for pipeline services on the non-scheme pipeline;
  - (d) specify any accounting or audit standards that apply to the reported information; and
  - (e) provide for the manner in which the financial information and weighted average price information is to be certified as being true and fair.
- (3) The AER may from time to time amend the financial reporting guidelines in accordance with the *standard consultative procedure* in rule 8.

**Note:**

The standard consultative procedure provides for publication of the proposal and consultation on the draft decision before making a final decision.

## **Division 3            Access requests and negotiations**

### **558            User access guide**

- (1) A service provider for a non-scheme pipeline must develop, maintain and publish in a publicly accessible part of its website a user access guide that contains the information in subrule (6) for each of its non-scheme pipelines.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (2) Each user access guide:
- (a) must comply with and give effect to this Division;
  - (b) must not contain anything inconsistent with this Division, the objective of this Part or the outcomes described in rule 546(2); and
  - (c) must not operate or be applied by a service provider in a manner that prevents or delays a prospective user from referring an access dispute to arbitration.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (3) The same user access guide may apply to one or more of the service provider's non-scheme pipelines.
- (4) The service provider for a non-scheme pipeline must publish the user access guide for the non-scheme pipeline no later than 20 business days after the application date for the non-scheme pipeline.
- (5) The service provider for a non-scheme pipeline must publish a revised version of the user access guide for the pipeline as soon as practicable after facts or circumstances arise that require the guide to be updated.
- (6) Each user access guide must:
  - (a) identify the service provider for the non-scheme pipeline and, where there is more than one service provider for the pipeline, identify the service provider responsible for dealing with preliminary enquiries and access requests;
  - (b) set out the *contact details* for an officer of the service provider to whom preliminary enquiries and access requests can be sent;
  - (c) describe the process for making an access request, the information to be included with the access request (subject to subrule (7)) and response times;
  - (d) describe the arrangements for undertaking further investigations;
  - (e) explain how the service provider will deal with and use any confidential information exchanged between the service provider and the prospective user;
  - (f) describe the process for preparing an access offer and for requesting negotiations under this Part in relation to an access offer;
  - (g) include a statement of the obligation to negotiate in good faith under section 216G of the *NGL* and the right to refer an access dispute to arbitration under section 216J of the *NGL*; and
  - (h) describe the arrangements in rule 562 for the exchange of information during negotiations under this Part.
- (7) The information to be included with the access request specified in a user access guide must be no more than is reasonably required to enable the service provider to make an access offer. The information may include:
  - (a) the time or times when each pipeline service will be required and the capacity that is to be utilised;

- (b) the *receipt or delivery points* where the prospective user is seeking access; and
- (c) relevant technical details for any new interconnection to the pipeline.

## **559 Access requests**

- (1) A prospective user may request the service provider for a non-scheme pipeline to provide access to a pipeline service requested by the prospective user and provided or to be provided by means of the non-scheme pipeline (or by part of the non-scheme pipeline or by an extension to, or expansion of the capacity of, the non-scheme pipeline).
- (2) A prospective user may make a preliminary enquiry about the matters referred to in subrule (1) before making an access request. A service provider must:
  - (a) not require a prospective user to make a preliminary enquiry before making an access request; and
  - (b) if requested by the prospective user, carry out further investigations on the basis of the preliminary enquiry and before the prospective user makes an access request.
- (3) An access request must be in writing and must include the information reasonably required to be provided by the prospective user for the service provider to prepare an access offer in relation to the access sought or to determine whether the service provider needs to undertake further investigations in relation to the access request.
- (4) If an access request is incomplete, the service provider must notify the prospective user within 5 business days after the access request is received, specifying the information required to complete the access request.
- (5) The service provider must notify the prospective user if the service provider needs to undertake further investigations in relation to the prospective user's access request. The notice must be given within 10 business days after receipt of the access request or, if applicable, after receipt of the further information requested under subrule (4).
- (6) A service provider must:
  - (a) only undertake further investigations in relation to an access request when and to the extent reasonably necessary; and
  - (b) carry out further investigations expeditiously.
- (7) A service provider and a prospective user must negotiate in good faith about the terms and conditions on which further investigations will be carried out, including the basis for determining reasonable costs of the further investigations to be paid by the prospective user and any reasonable extension to the time period in rule 560(2) to enable the further investigations to be completed.

- (8) A prospective user may amend the details of the access sought in an access request with the consent of the service provider. The service provider must not unreasonably withhold its consent under this subrule and may give its consent subject to reaching agreement on a reasonable extension to the period for making an access offer under rule 560.

## **560 Access offer**

- (1) The service provider for a non-scheme pipeline in receipt of an access request must prepare and make an access offer that complies with subrule (3) within the period determined under subrule (2).

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (2) The period for making an access offer under subrule (1) ends at the time agreed by the prospective user and the service provider or if no time is agreed between them:
  - (a) unless paragraph (b) applies, 20 business days after receiving the access request or if applicable, the further information requested under subrule 559(4); and
  - (b) if the service provider is required to carry out further investigations in relation to the access request, 60 business days after receiving the access request or if applicable, after receiving the further information requested under subrule 559(4).
- (3) An access offer must:
  - (a) set out the price and other terms and conditions on which the service provider offers to make the pipeline service or pipeline services requested in the access request available to the prospective user;
  - (b) contain the details of any works to be undertaken by the service provider and prospective user and any applicable technical and performance specifications; and
  - (c) be in a form capable of acceptance by the prospective user so as to constitute a new access contract or form part of an existing access contract.
- (4) A service provider is not required to make an access offer under subrule (1) in relation to a pipeline service if:
  - (a) the access request has been withdrawn;



- (b) the service provider has concluded that it is not technically feasible or consistent with the safe and reliable operation of the pipeline to provide the pipeline service requested by the prospective user, having used all reasonable efforts to accommodate the reasonable requirements of the prospective user; or
  - (c) the provision of the pipeline service requested by the prospective user would require the extension of the service provider's non-scheme pipeline.
- (5) If a service provider does not make an access offer for the reason specified in subrule (4)(b), the service provider must give the prospective user:
  - (a) written reasons explaining why the requested pipeline service cannot be provided; and
  - (b) if there is some prospect that it will become possible to provide the requested pipeline service at some time in the future – details (which must be as specific as the circumstances reasonably allow) of when the requested pipeline service is likely to become available.

## **561 Negotiations**

- (1) Subject to subrule (2), a prospective user who has made an access request for a pipeline service on a non-scheme pipeline may by notice to the service provider for the non-scheme pipeline request negotiations under this Part in relation to any aspect of access to a pipeline service including:
  - (a) whether access can be granted; and
  - (b) the price and other terms and conditions of an access offer.

### **Note:**

Section 216G of the *NGL* applies to negotiations referred to in subrule (1).

- (2) A notice under subrule (1) requesting negotiations about a matter excluded from reference to arbitration under Chapter 6A of the *NGL* and this Part by rule 563(2) is of no effect.
- (3) If a notice is given under subrule (1), the parties to the negotiations under this Part are the prospective user and the service provider and any other person that the prospective user and the service provider agree to include as a party to the negotiations.
- (4) Each party to negotiations under this Part must seek to accommodate all reasonable requirements of the other parties to the negotiations regarding the timetable for negotiations.
- (5) The parties to negotiations under this Part must use reasonable endeavours to identify any other person who may become a party to an access dispute relating to the pipeline service the subject of the negotiations.

- (6) If an access request is for more than one pipeline service, the prospective user may by notice to the service provider require negotiations under this Part in relation to those pipeline services take place as part of the same negotiation process.
- (7) A prospective user may at any time by notice to the service provider bring negotiations requested under this Part to an end, whether or not the prospective user also refers or has referred a related access dispute to arbitration under this Part.
- (8) A party to negotiations under this Part must only use or reproduce confidential information of another party for the purpose for which it was disclosed and must not disclose the confidential information except:
  - (a) to the scheme administrator in an access dispute notice;
  - (b) to the arbitrator in the course of an arbitration;
  - (c) with the consent of the other party;
  - (d) to a professional or other adviser of the party who agrees with the party to maintain the confidentiality of the confidential information;
  - (e) if it is required by, or necessary for the purposes of, these Rules or the *NGL*;
  - (f) if the disclosure is in accordance with an order made or a subpoena issued by a court of competent jurisdiction; or
  - (g) if the disclosure is authorised or required by a law of a participating jurisdiction or required by a competent regulatory body, and the person making the disclosure gives written details of the disclosure (including an explanation of the reasons for the disclosure) to the other party.
- (9) In subrule (8), confidential information of a party means all information of that party provided to another party to the negotiations other than information in the public domain at the time it was provided or information that subsequently comes into the public domain in a manner permitted by subrule (8).

## **562 Access negotiation information**

- (1) In negotiations under this Part, each party to the negotiations must, in requesting or providing access negotiation information, do so in a manner and at a time consistent with the duty of the party to negotiate in good faith.
- (2) A prospective user who is party to negotiations under this Part may from time to time by notice request a service provider who is party to the negotiations to provide access offer information in relation to any aspect of the matters being negotiated.

- (3) Subject to subrules (8) and (9), a service provider given a notice under subrule (2) must comply with the request within 15 business days of the notice or any longer period agreed by the prospective user.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This subrule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

- (4) Access offer information provided in response to a request under subrule (2) must:
- (a) comply with the access information standard as if the information were information required to be published under this Part;
  - (b) be relevant to the subject matter of the request; and
  - (c) be provided in a readily readable form including where requested in electronic file format with all underlying data files and inputs.
- (5) A party to negotiations under this Part:
- (a) may from time to time by notice request another party to the negotiations to provide access negotiation information of the other party that the other party is seeking to rely on in relation to a specific matter arising in the negotiations; and
  - (b) subject to subrule (6), may during the course of the negotiations by notice request another party to the negotiations to provide all access negotiation information of the other party.
- (6) A party to negotiations under this Part:
- (a) must give a notice under subrule (5)(b) before the party issues an access dispute notice in relation to the subject matter of the negotiations; and
  - (b) must not issue an access dispute notice earlier than 15 business days after the notice under subrule (5)(b) is given.
- (7) Subject to subrules (8) and (9), a party to negotiations under this Part must provide access negotiation information requested by another party to the negotiations under subrule (5) within 15 business days of the request or any longer period agreed by the party making the request.
- (8) A party to negotiations under this Part is not required to provide an item of information requested by another party under this rule where:
- (a) to do so would breach a confidentiality obligation owed in respect of that information to an unrelated third party; and

- (b) the third party has not given consent to the disclosure despite reasonable efforts having been made to obtain that consent.
- (9) A person cannot be required under this Division or Division 4 to disclose:
  - (a) information that is the subject of legal professional privilege; or
  - (b) documents that would disclose information subject to legal professional privilege.

## **Division 4                      Arbitration of access disputes**

### **563                      Application of this Division**

- (1) Without limiting the matters that may be notified under section 216H(1) of the *NGL* but subject to subrule (2), an access dispute notice may be given to the scheme administrator under this Division in relation to:
  - (a) a request for access to a pipeline service under a new access contract;
  - (b) a request to add a new pipeline service to an existing access contract;
  - (c) a request for a new access contract to take effect on the expiry of an existing access contract; and
  - (d) a request for a pipeline service commencing after the expiry of the service term for the same service under an existing access contract.
- (2) For section 216H(4) of the *NGL*, the following matters are excluded from reference to arbitration under Chapter 6A of the *NGL* and this Part:
  - (a) a dispute about a pipeline service provided under an existing access contract;
  - (b) a request to vary the terms and conditions of access applicable to a pipeline service provided under an existing access contract for any part of the current service term for that pipeline service;
  - (c) an access request that would require the extension of a non-scheme pipeline;
  - (d) an access dispute in relation to access to pipeline services on a non-scheme pipeline to the extent an exemption from the operation of this Division has been granted in respect of the non-scheme pipeline and that exemption remains in effect; and
  - (e) an access dispute about standard terms and conditions for secondary trading of capacity excluded from the operation of this Part by a provision of the *NGL* or the Rules.

- (3) For section 216D of the *NGL*, the matters that may be referred for determination by an arbitrator under this Division include, subject to subrule (2), any dispute arising under any rule in this Division between a service provider for a non-scheme pipeline and a prospective user including any dispute about whether a matter is an access dispute.

## **564 Access dispute notice**

- (1) An access dispute notice is a notice given under section 216H(1) of the *NGL* under which a prospective user or a service provider gives notice to the scheme administrator that an access dispute exists.
- (2) An access dispute notice must be in writing and must state:
  - (a) the pipeline service to which the access dispute notice relates and where applicable the access request and the access offer made in response to the request;
  - (b) the matters mentioned in section 216H(2) of the *NGL*, being the matters (if any) on which agreement has been reached and the matters that are in dispute;
  - (c) the name and address of the person giving the notice;
  - (d) the name and address of each other party involved in the access dispute; and
  - (e) where the person giving the access dispute notice reasonably believes another person may be joined as a party under section 216I of the *NGL* – the name and address of that person.
- (3) An access dispute notice must be given to the other parties to the negotiations under this Part as soon as practicable after it is given to the scheme administrator.
- (4) An access dispute notice must be accompanied by the fee (if any) set by the scheme administrator from time to time and specified on its website.
- (5) If an access dispute notice is given by a prospective user, the prospective user may withdraw the access dispute notice at any time before an arbitrator appointed to determine the dispute makes a final access determination.
- (6) If an access dispute notice is given by a service provider, the service provider may only withdraw the access dispute notice if the other parties to the access dispute agree.

## **565 Reference to arbitration**

- (1) For section 216J of the *NGL*, the scheme administrator must refer an access dispute to arbitration applying the procedures in this rule and no later than 15 business days after the receipt of the access dispute notice.

- (2) The scheme administrator must within 5 business days of receipt of an access dispute notice determine the parties to the access dispute for the purposes of section 216I of the *NGL* and give a notice to each party to the access dispute in which the scheme administrator:
  - (a) identifies the parties to the access dispute;
  - (b) invites the parties to the access dispute to give the scheme administrator within 10 business days of the access dispute notice being given written submissions as to which (if any) of the pool arbitrators should be disqualified from appointment, with reasons;
  - (c) requires the parties to the access dispute to notify the scheme administrator of the identity of the pool arbitrator agreed by the parties to determine the access dispute (if any) within 10 business days of the access dispute notice being given; and
  - (d) informs the parties that in default of agreement being reached and notified to the scheme administrator within that time, the scheme administrator will select the arbitrator.
- (3) The parties to an access dispute identified in a notice under subrule (2) must:
  - (a) as soon as practicable after an access dispute notice is given notify the other parties to the dispute of at least two pool arbitrators the party will agree to be appointed as the arbitrator to determine the access dispute;
  - (b) negotiate in good faith to agree to the identity of a pool arbitrator to be the arbitrator for the access dispute; and
  - (c) notify the scheme administrator if agreement has been reached, including confirmation that the pool arbitrator is available to undertake the arbitration.
- (4) If the parties to the access dispute do not notify the identity of the pool arbitrator agreed by the parties to determine the access dispute to the scheme administrator within 10 business days of the access dispute notice being given, the scheme administrator must select one of the pool arbitrators to determine the access dispute, taking into account any submissions from the parties under subrule (2)(b) given within the specified time.
- (5) The scheme administrator must refer the access dispute (with the access dispute notice) to the pool arbitrator notified by the parties under subrule (3)(c) or selected by the scheme administrator under subrule (4) within 15 business days after the receipt of the access dispute notice and notify the parties to the access dispute of the referral.
- (6) The scheme administrator's selection of a pool arbitrator to determine an access dispute under subrule (4) is final and binding on the parties to the access dispute.
- (7) An arbitrator is not liable for anything done or omitted to be done in good faith in his or her capacity as arbitrator.

- (8) An arbitrator may, before acting in relation to the access dispute, require each party to the access dispute (and any one of them) to execute a release and indemnity in favour of the arbitrator in relation to any loss, damage or liability that party may suffer or incur as a consequence of anything done or omitted to be done in good faith in his or her capacity as arbitrator.
- (9) If for any reason the arbitrator for an access dispute does not make a final access determination within the time provided for in this Division or withdraws from or abandons the arbitration or is unable to continue the arbitration, any party to the access dispute may notify the other parties and the scheme administrator that they require a new pool arbitrator to be appointed.
- (10) If a notice is given under subrule (9), subject to subrule (11), the scheme administrator must refer the access dispute to a new pool arbitrator no later than 15 business days after the receipt of the notice. Subrules (2) to (9) will apply as if the notice were an access dispute notice for the purposes of this rule.
- (11) If a notice is given under subrule (9) on the grounds that the arbitrator has failed to make a final access determination within the time provided for in this Division and the arbitrator makes the final access determination before the scheme administrator refers the access dispute to a new pool arbitrator, the notice under subrule (9) lapses and the scheme administrator must not refer the access dispute to a new pool arbitrator.

## **566 Conduct of the parties**

- (1) The parties must do all things necessary for the proper and expeditious conduct of the arbitration.
- (2) Without limitation to subrule (1), the parties must comply without undue delay with any order or direction of the arbitrator with respect to any procedural, evidentiary or other matter.
- (3) A party must not wilfully do or cause to be done any act to delay or prevent an access determination being made.

## **567 Statements to be provided to the arbitrator on appointment**

- (1) Within 10 business days of the access dispute being referred to the arbitrator, each party must give to the arbitrator and to the other parties to the access dispute a statement:
  - (a) listing the access negotiation information of the party that the party provided to the other parties to the negotiations before the access dispute notice was given; and
  - (b) identifying with reasonable particularity any other access negotiation information:

- (i) not provided by the party to the other parties to the negotiations before the access dispute notice was given and that the party seeks leave under rule 568(1) to submit and rely on in the arbitration; and
  - (ii) that the party requested from another party to the negotiations and that has not been provided by that other party.
- (2) Within 15 business days of the access dispute being referred to the arbitrator, each party to the dispute must give to the arbitrator and to the other parties a statement of the access determination the party claims should be made and the matters supporting the party's claim.
- (3) Within the time determined by the arbitrator, each party must give to the arbitrator and to the other parties to the access dispute:
  - (a) its statement in response to the statement provided under subrule (1), which must:
    - (i) identify with reasonable particularity any areas of disagreement; and
    - (ii) state whether it consents to the provision of any of the information identified under subrule (1)(b)(i); and
  - (b) its statement in reply to the statement provided under subrule (2).
- (4) With the leave of the arbitrator, a party may amend or supplement any statement made by the party under this rule during the course of the arbitration.
- (5) A statement under subrule (1) must, if the arbitrator so requires, be verified by statutory declaration of an appropriate officer of the party.

## **568 Arbitrator to give effect to rule 562**

- (1) A party to an access dispute must seek leave of the arbitrator to submit and rely on in the arbitration access negotiation information of that party that it did not provide to the other parties to the negotiations before the access dispute notice was given.
- (2) In determining whether to grant leave under subrule (1), the arbitrator must:
  - (a) seek to give effect to rule 562 insofar as doing so is consistent with the proper consideration of the access dispute; and
  - (b) have regard to whether the party seeking leave was given a reasonable opportunity to provide the access negotiation information to the other parties to the dispute before the access dispute notice was given.
- (3) An arbitrator may direct a party to an access dispute to provide access negotiation information that it did not provide to the other parties to the negotiations before



the access dispute notice was given. A party given a direction under this subrule must comply with the direction without undue delay.

- (4) If the arbitrator is satisfied that there has been inordinate and inexcusable failure by a party to comply with the obligation of the party to provide access negotiation information in accordance with rule 562 or subrule (3) or if a party fails to do any other thing necessary for the proper and expeditious conduct of the arbitration, the arbitrator may do any one or more of the following:
  - (a) direct that the party is not entitled to rely on any specified information or materials;
  - (b) draw such adverse inferences from the failure to comply as the circumstances justify; and
  - (c) proceed to an access determination solely on the basis of information relied on by that party that has been provided by that party in negotiations under this Part in accordance with rule 562.

## **569 Pricing and other principles**

- (1) When making a final access determination under this Part, the arbitrator must take the following matters into account:
  - (a) the principle that access to pipeline services on a non-scheme pipeline must be on reasonable terms as defined in rule 546(1);
  - (b) the pricing principles; and
  - (c) the operational and technical requirements necessary for the safe and reliable operation of the pipeline.
- (2) When making a final access determination under this Part, the arbitrator may also take the following matters into account:
  - (a) the legitimate business interests of the service provider;
  - (b) the interests of all persons who have rights to use the pipeline;
  - (c) the value to the service provider of any extension or expansion of the pipeline the cost of which is borne by another person; and
  - (d) the value to the service provider of interconnections to the pipeline the cost of which is borne by another person.
- (3) The pricing principles are:
  - (a) the price for access to a pipeline service on a non-scheme pipeline should reflect the cost of providing that service, including a commercial rate of return that is commensurate with the prevailing conditions in the market for

- funds and reflects the risks the service provider faces in providing the pipeline service; and
- (b) when applying the principle in paragraph (a) to a pipeline service that when used affects the capacity of the non-scheme pipeline available for other pipeline services and is priced at a premium or a discount to the price for a firm haulage service on the relevant non-scheme pipeline – the premium or discount must:
    - (i) take into account any opportunity cost or benefit to the service provider of providing the pipeline service, having regard to any effect on the cost of providing firm haulage services or the capacity of the non-scheme pipeline; and
    - (ii) be consistent with the price for the pipeline service providing a reasonable contribution to joint and common costs.
- (4) For the purposes of subrule (3)(a):
- (a) the value of any assets used in the provision of the pipeline service must be determined using asset valuation techniques consistent with the objective of this Part set out in rule 546(1); and
  - (b) unless inconsistent with paragraph (a), the value of any assets used in the provision of the pipeline service is to be calculated as:
    - (i) the cost of construction of the pipeline and pipeline assets incurred before commissioning of the pipeline (including the cost of acquiring easements and other interests in land necessary for the establishment and operation of the pipeline);plus:
    - (ii) the amount of capital expenditure since the commissioning of the pipeline;less:
    - (iii) the return of capital recovered since the commissioning of the pipeline; and
    - (iv) the value of pipeline assets disposed of since the commissioning of the pipeline.

## **570 Matters that may be dealt with in a determination**

- (1) For section 216L(2) of the *NGL*, subject to section 216N of the *NGL* and this rule, an access determination may deal with any matter the subject of the access dispute.
- (2) Without limiting subrule (1), an access determination may:

- (a) require the service provider for a non-scheme pipeline to provide access to a pipeline service;
  - (b) specify the price and other terms and conditions on which the prospective user must be given access to the pipeline service;
  - (c) require the service provider to permit another facility to be connected to the non-scheme pipeline;
  - (d) subject to subrules (5) and (6), require the service provider to carry out, either alone or in combination:
    - (i) an expansion of the capacity of a non-scheme pipeline;
    - (ii) a conversion of a non-scheme pipeline to a bi-directional pipeline;
    - (iii) the development of a new *receipt or delivery point*;
    - (iv) an expansion of an existing *receipt or delivery point*; or
    - (v) an interconnection with another pipeline or other facility; or
  - (e) specify conditions to be satisfied before access to a pipeline service commences.
- (3) An access determination may require access to be provided for a service term different to that sought by the prospective user but must otherwise be made in relation to the pipeline service or services sought by the prospective user.
- (4) An access determination does not have to require the service provider to provide access to the pipeline service or services sought by the prospective user or any pipeline service.
- (5) An access determination must not require the service provider to provide a pipeline service or carry out any of the activities referred to in subrule (2)(d) unless the provision of the pipeline service or activity is:
  - (i) technically feasible; and
  - (ii) consistent with the safe and reliable operation of the pipeline.
- (6) An access determination must not, unless the service provider agrees, require the service provider to:
  - (a) extend the geographical range of a non-scheme pipeline; or
  - (b) carry out any of the activities referred to in subrule (2)(d) unless the prospective user funds the activity in its entirety.

- (7) An access determination must not provide for a prospective user to acquire an interest in a non-scheme pipeline by funding an expansion of the capacity of the pipeline unless the service provider agrees.

## **571 Interim access determinations (NGL section 199(2))**

- (1) An interim access determination that provides for access to a pipeline service before the final access determination is made must specify the terms and conditions on which the prospective user must be given access to the pipeline service including reasonable payment terms.
- (2) If an arbitrator makes an interim access determination that provides for access to a pipeline service before the final access determination is made, the final access determination must provide for adjustments to reflect any differences between the interim access determination and the final access determination in respect of the period:
  - (a) prior to the prospective user gaining access on the terms of the final access determination; or
  - (b) if the prospective user does not elect to seek access on the terms of the final access determination – prior to access on the terms of the interim access determination ceasing under rule 573(5)(b).
- (3) An interim access determination must:
  - (a) be in writing and dated and signed by the arbitrator;
  - (b) identify the parties to the interim access determination and the place the determination is made;
  - (c) be communicated by email when it is made to the parties to the access dispute and the scheme administrator; and
  - (d) be sent by post to the parties and the scheme administrator within 5 business days of being made.
- (4) An interim access determination takes effect from the later of the time specified in the access determination and the time it is communicated to the parties to the access dispute.

## **572 Final access determinations**

- (1) Unless it terminates the arbitration under the *NGL* and subject to subrule (2), the arbitrator must determine the access dispute as quickly as possible, and in any case the arbitrator must make a final access determination within:
  - (a) 50 business days after the date the access dispute was referred to the arbitrator; or

- (b) if agreed by the parties to the access dispute, any greater number of business days, up to a maximum of 90 business days, after the date the access dispute was referred to the arbitrator.
- (2) In determining the number of business days elapsed since the date the access dispute was referred to the arbitrator, the following must be disregarded:
  - (a) if the arbitrator appoints an independent expert in accordance with rule 575 – any day within a period allowed by the arbitrator for the independent expert to report and that the arbitrator directs must be disregarded; and
  - (b) any day within a period allowed by the arbitrator for a party to prepare access negotiation information not provided in negotiations and that the arbitrator directs must be disregarded.
- (3) A final access determination must:
  - (a) be in writing and dated and signed by the arbitrator;
  - (b) identify the parties to the determination and the place the determination is made;
  - (c) set out the matters agreed by the parties and the matters in dispute;
  - (d) set out the arbitrator's determination of the access dispute;
  - (e) be communicated by email when it is made to the parties to the access dispute and the scheme administrator; and
  - (f) be sent by post to the parties and the scheme administrator within 5 business days of being made.
- (4) The arbitrator must give the parties and the scheme administrator a statement of reasons for the arbitrator's final access determination, which must explain how the arbitrator took into account the principles and other matters in rule 569. The statement of reasons must be given to the parties and the scheme administrator with the final access determination or within 20 business days of the final access determination being made.

## **573 Effect of final access determination**

- (1) A final access determination takes effect from the later of the time specified in the access determination and the time it is communicated to the parties to the access dispute.
- (2) A final access determination is binding on the parties to the access dispute subject to section 216Q(2) of the *NGL*.
- (3) A prospective user wishing to enter into an access contract that gives effect to a final access determination must notify that decision to the other parties to the

access dispute and the scheme administrator in writing within 10 business days of the access determination being made.

- (4) If the prospective user gives a notice under subrule (3), the parties to the access dispute must enter into an access contract for the provision of access in accordance with the final access determination (as may have been corrected under rule 579).
- (5) If a prospective user does not give a notice under subrule (3) within the period specified in that subrule:
  - (a) the prospective user and any associate of the prospective user must not give an access dispute notice about the same or a substantially similar pipeline service on the non-scheme pipeline the subject of the final access determination for a period of one year from the date of the final access determination; and
  - (b) if the prospective user had access under the terms of an interim access determination, that access ends at the end of that period.
- (6) The parties to an access dispute must comply with a final access determination to the extent it provides for adjustments under rule 571(2), even if the prospective user does not give a notice under subrule (3).

## **574 Arbitration procedures**

- (1) Subject to Part 6 of Chapter 6 of the *NGL* and this Division, the arbitrator may determine the procedures for the arbitration and conduct the arbitration in such manner as it considers appropriate and is to decide whether to hold any dispute hearings.
- (2) The arbitrator must as soon as practicable after the arbitrator's appointment and after consultation with the parties to the access dispute, notify the parties of the procedures and timetable to apply to the arbitration. The arbitrator may in the arbitrator's discretion amend the procedures specified by the arbitrator during the course of the arbitration.
- (3) If documents are produced to an arbitrator, the arbitrator may take possession of, make copies of, and take extracts from, the documents and may keep the documents for as long as is necessary for the purposes of the arbitration.
- (4) Subject to section 205 of the *NGL*, all statements, documents or other information supplied to the arbitrator by a party must be communicated to the other parties.
- (5) Subject to section 205 of the *NGL*, any expert report or evidentiary document on which the arbitrator may rely in making its decision must be communicated to the parties.

## **575 Experts appointed by the arbitrator – NGL section 199(1)(e)**

- (1) Unless otherwise agreed by the parties, if the arbitrator appoints an independent expert, the arbitrator may require a party to give the independent expert any relevant information or to produce, or to provide access to, any relevant documents or places for the independent expert's inspection.
- (2) Unless otherwise agreed by the parties, if a party so requests or if the arbitrator considers it necessary, the independent expert must, after delivery of the expert's written or oral report, participate in a hearing where the parties have the opportunity to put questions to the expert and present expert witnesses in order to testify on the points at issue.
- (3) Before appointing an independent expert under subrule (1), the arbitrator must:
  - (a) notify the parties to the access dispute of its intention to refer a matter to an independent expert, the proposed independent expert and the amount the independent expert will charge or the manner in which that amount will be determined; and
  - (b) obtain the consent of the parties to the maximum amount that may be charged by the independent expert in connection with the reference.
- (4) A party to an access dispute must not unreasonably withhold its consent under subrule (3)(b).

## **576 Confidentiality**

- (1) The parties to an access dispute must not disclose confidential information in relation to the course of the arbitration unless the disclosure is allowed under this rule.
- (2) An arbitrator must not disclose confidential information in relation to the course of the arbitration unless the disclosure is allowed under this rule.
- (3) Subject to an order under section 200 of the *NGL*, confidential information in relation to the course of the arbitration may be disclosed by a party or the arbitrator:
  - (a) with the consent of all the parties to the access dispute;
  - (b) in the case of a party, to a professional or other adviser of the party who agrees to maintain the confidentiality of the confidential information;
  - (c) in the case of the arbitrator, to an independent expert appointed by the arbitrator who agrees to maintain the confidentiality of the confidential information;

- (d) if it is necessary to ensure that a party has a reasonable opportunity to present the party's case and the disclosure is no more than reasonable for that purpose;
- (e) if it is necessary for the establishment or protection of a party's legal rights in relation to a third party and the disclosure is no more than reasonable for that purpose;
- (f) if it is necessary for the purpose of enforcing an access determination and the disclosure is no more than reasonable for that purpose;
- (g) if it is required by, or necessary for the purposes of, these Rules or the *NGL*;
- (h) if the disclosure is in accordance with an order made or a subpoena issued by a court of competent jurisdiction; or
- (i) if the disclosure is authorised or required by a law of a participating jurisdiction or required by a competent regulatory body, and the person making the disclosure gives written details of the disclosure (including an explanation of the reasons for the disclosure) to:
  - (i) if the person is a party – the other parties and the arbitrator; and
  - (ii) if the arbitrator is making the disclosure – all the parties.

## **577 Conflict of interest**

- (1) In this rule, there are justifiable doubts as to the impartiality or independence of a pool arbitrator or arbitrator to whom an access dispute has been referred only if there is a real danger of bias on the part of the person in conducting the arbitration.
- (2) A pool arbitrator approached in connection with the pool arbitrator's possible appointment to determine an access dispute must disclose any circumstances likely to give rise to justifiable doubts as to the pool arbitrator's impartiality or independence.
- (3) An arbitrator, from the time of the arbitrator's appointment and throughout the course of the arbitration, must without delay disclose any circumstances of the kind referred to in subrule (2) to the parties unless they have already been informed of them by the arbitrator.
- (4) An arbitrator may be challenged only if circumstances exist that give rise to justifiable doubts as to the arbitrator's impartiality or independence.
- (5) A party may challenge an arbitrator agreed by the party only for reasons of which the party becomes aware after the appointment has been made.
- (6) A party who intends to challenge an arbitrator must, within 15 days after becoming aware of any circumstance which gives rise to a justifiable doubt as to



the impartiality or independence of the arbitrator, send a written statement of the reasons for the challenge to the arbitrator and the other parties to the dispute.

- (7) Unless the arbitrator withdraws from office or the other parties to the access dispute agree to the challenge, the arbitrator must decide on a challenge under subrule (6).
- (8) If a challenge under subrule (6) is not successful, the challenging party may request, within 30 days after having received notice of the decision rejecting the challenge, the Court to decide on the challenge.
- (9) A decision of the Court on a request under subrule (8) which is within the limits of the authority of the Court is final.
- (10) While a request under subrule (8) is pending, the arbitrator may continue the course of the arbitration and make an access determination.

## **578 Termination of arbitration**

- (1) The arbitration of an access dispute is terminated by:
  - (a) the making of a final access determination;
  - (b) an order of the arbitrator under section 216O of the *NGL* made in accordance with subrule (3); or
  - (c) notice from the prospective user in accordance with section 216P of the *NGL*.
- (2) For section 216O(4) of the *NGL*, a specified dispute resolution circumstance occurs if the parties to the access dispute agree on the termination of the arbitration.
- (3) A decision of an arbitrator to terminate an arbitration under section 216O of the *NGL* must:
  - (a) be in writing and dated and signed by the arbitrator;
  - (b) include a statement of reasons for the termination of the arbitration;
  - (c) be communicated by email to the parties to the access dispute and the scheme administrator; and
  - (d) be sent by post to the parties to the access dispute and the scheme administrator within 5 business days of being made.
- (4) A decision of an arbitrator to terminate an arbitration takes effect from the later of the time specified in the decision and the time it is communicated to the parties to the access dispute.

## **579 Correction of errors**

- (1) Within 30 days of receipt of the arbitrator's statement of reasons under rule 572(4), a party may by notice to the other parties to the access dispute and the arbitrator, request the scheme administrator to correct any of the matters specified in section 216T of the *NGL* in the final access determination.
- (2) If the scheme administrator, after consultation with the parties to the access dispute and the arbitrator considers a request under subrule (1) to be justified, the scheme administrator must make the correction.
- (3) The arbitrator may correct any error of the type referred to in section 216T of the *NGL* on the arbitrator's own initiative within 30 days of giving the arbitrator's statement of reasons under rule 572(4).
- (4) A correction of a final access determination must:
  - (a) be in writing and dated and signed by the person making the correction;
  - (b) identify the final access determination;
  - (c) set out the corrections;
  - (d) when it is made, be communicated by email to the parties to the access dispute and the scheme administrator or arbitrator as applicable; and
  - (e) be sent by post to the parties to the access dispute and the scheme administrator or arbitrator as applicable within 5 business days of being made.

## **580 Costs**

- (1) The parties to an access dispute referred to arbitration under this Division must bear their own costs in accordance with section 216V(4) of the *NGL*.
- (2) Subject to subrule (3), the parties to an access dispute referred to arbitration under this Division must each pay an equal share of the following costs of the arbitration:
  - (a) the fees and expenses of the arbitrator;
  - (b) the fees and expenses of any expert retained by the arbitrator under rule 575, to the extent those fees and expenses are consistent with the costs agreed under that rule;
  - (c) the costs of room hire; and
  - (d) the cost of any additional input agreed by the parties to be necessary to the conduct of the arbitration.

- (3) The arbitrator may, in making a final access determination or within 30 business days after the final access determination is made, direct that the parties must pay the costs of the arbitration referred to in subrule (2) in unequal shares, taking into account:
  - (a) in the case of a party to the access dispute other than the service provider or prospective user – the role of the party in the access dispute and the arbitration;
  - (b) whether the prospective user elects not to enter into an access contract in accordance with the access determination;
  - (c) whether a party has conducted itself in the arbitration in a way that unnecessarily disadvantaged another party by conduct such as:
    - (i) failing to comply with an order or direction of the arbitrator without reasonable excuse;
    - (ii) failing to comply with the *NGL*, the Regulations or the Rules;
    - (iii) asking for an adjournment as a result of paragraph (i) or (ii);
    - (iv) causing an adjournment;
    - (v) attempting to deceive another party or the arbitrator; or
    - (vi) vexatiously conducting an access dispute;
  - (d) whether a party has been responsible for unreasonably prolonging the time taken to complete the arbitration; and
  - (e) any other matter the arbitrator considers relevant.
- (4) Costs that are payable under this rule:
  - (a) are a debt due by the party to the arbitrator, or the person to whom the arbitrator has ordered that they be paid; and
  - (b) may be recovered by that person in a court of competent jurisdiction.

## **581 Information to be published about access determinations**

- (1) Within a reasonable time of a final access determination being made, the scheme administrator must publish on its website the following information:
  - (a) the non-scheme pipeline the subject of the arbitration;
  - (b) with the consent of the prospective user, the parties to the access dispute;
  - (c) the name of the arbitrator who made the final access determination;

- (d) the time elapsed between the access dispute being referred to the arbitrator and the making of the final access determination;
  - (e) which of the pipeline services offered on the non-scheme pipeline was the subject of the access dispute;
  - (f) whether the prospective user has given notice that it wishes to enter into an access contract in accordance with the final access determination; and
  - (g) if the final access determination includes a determination with respect to asset valuation, the valuation method adopted, the assets to which the valuation applied and the determination of the asset value.
- (2) The scheme administrator must publish on its website information about the number of access disputes referred to arbitration under this Part and brought to an end before a final access determination is made.

## **Division 5            Scheme administrator**

### **582            Role of the scheme administrator**

- (1) The scheme administrator has the functions provided for the scheme administrator under Chapter 6A of the *NGL* and this Part.
- (2) Without limiting subrule (1), the functions of the scheme administrator include:
  - (a) establishing a pool of arbitrators;
  - (b) publication of guides, including the non-scheme pipeline arbitration guide;
  - (c) referring access disputes to arbitration and appointing the arbitrator;
  - (d) correcting errors in access determinations; and
  - (e) publishing information about access determinations under rule 581.
- (3) The scheme administrator has the power to do all things necessary or convenient to be done for or in connection with the performance of its functions.
- (4) The scheme administrator does not incur any civil monetary liability for an act or omission done or made under or for the purposes of this Part unless the act or omission is done or made in bad faith.

### **583            Pool of arbitrators**

- (1) The scheme administrator must establish and maintain a pool of suitably qualified and experienced commercial arbitrators who may be appointed to determine access disputes referred to arbitration under this Part.

- (2) The scheme administrator may at any time change the composition of the pool of arbitrators and may include commercial arbitrators in the pool of arbitrators on a temporary basis.
- (3) The scheme administrator must publish on its website and keep up to date the name, contact details and a professional profile of each person in the pool of arbitrators.
- (4) The scheme administrator may determine in its discretion from time to time the process for identifying candidates for the pool of arbitrators.
- (5) In identifying candidates for the pool of arbitrators, the scheme administrator may consult with any person it considers appropriate including current pool arbitrators, other nationally or internationally recognised commercial arbitrators and nationally or internationally recognised institutions with relevant experience in the appointment of commercial arbitrators.
- (6) The scheme administrator must establish and maintain for each pool arbitrator an indicative schedule of fees for the conduct of arbitrations under this Part by the pool arbitrator which may include fixed or capped rates for specified categories of access dispute.
- (7) The scheme administrator must at the request of a prospective user, a service provider or any party to an access dispute provide the indicative schedule of fees of one or more pool arbitrators. Each indicative schedule of fees is confidential information and may only be disclosed by the person to whom it is provided in the circumstances provided for in rule 561(8).

## **584 Non-scheme pipeline arbitration guide**

- (1) The scheme administrator must publish and maintain a non-scheme pipeline arbitration guide containing guidance for pool arbitrators and any person who may become a party to an access dispute about the process for the determination of access disputes under the NGL and these Rules including the matters that may be referred to arbitration under this Part, timelines and information requirements.
- (2) The non-scheme pipeline arbitration guide may include model arbitration terms and conditions and model procedures for arbitrations conducted under this Part.
- (3) The non-scheme pipeline arbitration guide is not binding on an arbitrator or the parties to an access dispute.
- (4) The scheme administrator may in its discretion develop and publish and may from time to time amend, other non-binding guides relating to this Part.

## Division 6 Exemptions

### 585 Exemption categories

- (1) The AER must on the application of the service provider for a non-scheme pipeline, grant an exemption under this Division in respect of the service provider's non-scheme pipeline, if:
  - (a) the exemption sought is one of the exemption categories in subrule (4);
  - (b) the service provider has demonstrated to the reasonable satisfaction of the AER that the non-scheme pipeline satisfies the exemption criteria applicable to the exemption category; and
  - (c) the AER is otherwise satisfied that in all the circumstances the exemption should be granted.
- (2) Subject to this Division, the AER may grant an exemption under this Division in respect of a class or group of non-scheme pipelines on the application of a service provider for one or more of the non-scheme pipelines or on its own initiative.
- (3) The AER must only grant exemptions in the categories specified in the table in subrule (4) and may grant more than one category of exemption in respect of a non-scheme pipeline.
- (4) The exemption categories and exemption criteria are set out in the table in this subrule.

Exemption category	Exemption criteria
Category 1: The non-scheme pipeline is exempt from the operation of Division 3 and Division 4.	The non-scheme pipeline is not a third party access pipeline.
Category 2: The service provider for the non-scheme pipeline is exempt from the obligation to publish information under Division 2 in relation to the non-scheme pipeline.	Either of the following: <ol style="list-style-type: none"> <li>(a) The non-scheme pipeline is not a third party access pipeline.</li> <li>(b) The non-scheme pipeline is a single user pipeline.</li> </ol>
Category 3: The service provider for the non-scheme pipeline is exempt from the obligations to publish information under Division 2 other than pipeline information and pipeline service information.	At any time, the average daily injection of natural gas into the non-scheme pipeline calculated over the immediately preceding 24 months is less than 10TJ/day.

- (5) For the purposes of the table in subrule (4):

- (a) a non-scheme pipeline is a third party access pipeline if any pipeline services on the non-scheme pipeline are offered or provided, directly or indirectly, to any person other than:
    - (i) the service provider for the non-scheme pipeline;
    - (ii) a related body corporate of the service provider for the non-scheme pipeline; or
    - (iii) a joint venture in which the service provider for the non-scheme pipeline or a related body corporate of the service provider is a joint venture participant;
  - (b) a non-scheme pipeline is a single user pipeline if:
    - (i) the pipeline is a third party access pipeline; and
    - (ii) all pipeline services on the non-scheme pipeline are provided to a single user, taking into account pipeline services provided both directly and indirectly by the service provider; and
  - (c) related body corporate has the meaning in the *Corporations Act 2001* of the Commonwealth.
- (6) An exemption granted by the AER in accordance with this Division:
- (a) takes effect on the date specified by the AER in the exemption; and
  - (b) ends on the expiry date specified in the exemption or, if earlier, the date a revocation of the exemption made under this Division comes into effect.
- (7) The AER must establish, publish and maintain a register of exemptions and exemption revocations made under this Division.
- (8) The service provider for a non-scheme pipeline for which an exemption has been granted under this Division must notify the AER without delay if circumstances change such that the non-scheme pipeline no longer qualifies for the exemption under this Division.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

## **586 Exemption conditions**

- (1) An exemption under this Division may be granted subject to any conditions determined by the AER.
- (2) The service provider for a non-scheme pipeline for which an exemption has been granted under this Division must comply with any conditions of the exemption.

**Note:**

This subrule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

- (3) The AER may on the application of the service provider for the non-scheme pipeline concerned or on its own initiative vary the conditions of an exemption.
- (4) A variation to the conditions of an exemption takes effect on the date specified by the AER in its decision to grant the variation.

## **587 Revocation**

- (1) The AER may revoke an exemption granted by it under this Division where in the AER's reasonable opinion, the relevant exemption criteria in rule 585(4) is no longer satisfied.
- (2) The AER may revoke an exemption granted by it under this Division on its own initiative or following an application made by any person.
- (3) A revocation of an exemption under this rule takes effect on the date specified by the AER in its decision to revoke the exemption.
- (4) If a category 1 or category 3 exemption is revoked for a non-scheme pipeline, for the purpose of rule 552(2) the application date for the non-scheme pipeline is taken to be the date on which the revocation takes effect.

## **588 Making and form of application**

- (1) A service provider for a non-scheme pipeline may apply to the AER for:
  - (a) the grant of an exemption for its non-scheme pipeline; or
  - (b) a variation to any condition of an exemption for its non-scheme pipeline.
- (2) Any person may apply to the AER for the revocation of an exemption.
- (3) An application under this Division must be in the form, and contain the information, specified in any guidelines issued by the AER for the purposes of this rule.
- (4) The AER may, within the period for making a decision on the application under rule 589 ask the applicant to provide further information or clarification in support of the application if the AER considers that the application is incomplete or requires clarification.
- (5) If the AER asks for further information or clarification under subrule (4), the application is taken to have been made when the further information or clarification is provided to the AER's satisfaction.



## **589 Decision on application**

- (1) The AER must decide whether to grant or refuse to grant an application made under rule 588 within 40 business days after the application is made.
- (2) The AER may extend the time period in subrule (1) by a further period of 20 business days by giving the applicant written notice of the extension not later than 30 business days after the application is made.
- (3) The AER must:
  - (a) give the applicant written notice of its decision to grant or refuse to grant an application made under rule 588, including any conditions imposed in accordance with rule 586; and
  - (b) if the AER imposes conditions on the grant of an exemption or a variation of an exemption in accordance with rule 586, or refuses to grant an application made under rule 588, it must give the applicant written reasons for its decision.

## **590 Decision to vary or revoke an exemption**

- (1) If the AER proposes to vary or revoke an exemption other than on the application of the service provider for the non-scheme pipeline concerned, it must notify the service provider for the pipeline and invite the service provider to make submissions about the proposed variation or revocation within 20 business days of the notice.
- (2) If a service provider given a notice under subrule (1) provides written submissions to the AER within the period required by the notice, the AER must have regard to those submissions in deciding to vary or revoke the exemption.
- (3) If the AER varies or revokes an exemption it must give the service provider for the non-scheme pipeline written reasons for its decision.

## **Part 24                      Facilitating capacity trades and the capacity auction**

### **Division 1                Preliminary**

#### **591                      Application**

- (1) This Part is made for Divisions 2D and 2E of Part 6 of Chapter 2 and Chapter 7A of the *NGL*.
- (2) This Part does not apply in Western Australia until the day an order under section 7A of the National Gas Access (WA) Act 2009 of Western Australia in relation to the National Gas (South Australia) (Capacity Trading and Auctions) Amendment Act 2018 of South Australia is published in the Western Australian Government Gazette or, if a later day is specified in the order, on that day.

#### **592                      Structure of this Part**

- (1) Division 1 deals with preliminary matters.
- (2) Division 2 provides for the Operational Transportation Service Code.
- (3) Division 3 provides for exemptions and for the registration of transportation facilities and transportation service providers as facility operators.
- (4) Division 4 provides for matters to be included in the Capacity Transfer and Auction Procedures to facilitate capacity trades and the capacity auction and for the allocation of service points to zones.
- (5) Division 5 sets out obligations of transportation service providers relating to standard OTSAs.
- (6) Division 6 sets out other obligations of transportation service providers in relation to facility agreements to facilitate capacity trades.

#### **593                      Definitions and interpretation**

- (1) In this Part:

**alteration** includes omissions and additions; and alter has a corresponding meaning.

**application date** means, in relation to a Part 24 facility, the date on which the circumstances occur by reason of which it becomes a Part 24 facility.

**Note:**

For example, a transportation facility may become a Part 24 facility when it is commissioned or an exemption is revoked.

**auction facility** has the meaning given in Part 25.

**auction service** has the meaning given in Part 25.

**auction service priority principles** has the meaning given in Part 25.

**backhaul auction service** has the meaning given in Part 25.

**backhaul pipeline segment** means a part of a pipeline between pipeline service points used for a backhaul auction service, as specified in the transportation service point register.

**backhaul service** means a pipeline service provided by means of a single direction pipeline pursuant to which the direction of service is predominantly opposite to the actual physical flow of natural gas in the pipeline. If a transportation service falls within the definition of backhaul service it is not a firm forward haul service.

**capacity auction** means the capacity auction established by AEMO under Part 25.

**Capacity Trading Platform** or **CTP** means the gas trading exchange, in its role as a platform for trading transportation capacity.

**Capacity Transfer and Auction Procedures** means the Procedures of that name made by AEMO pursuant to the *NGL*.

**Code** means the Operational Transportation Service Code.

**Code amendment decision** means a decision by the AER to amend the Code.

**Code amendment proposal** means a proposal for an amendment to the Code given in accordance with rule 601(1).

**Code objective** means the objective in rule 595(1).

**commissioned** means:

- (a) for a transportation facility that is not a pipeline, when the transportation facility is first used on a commercial basis (whether for the benefit of a person who owns or operates the transportation facility or for someone else); and
- (b) for a pipeline, when the pipeline is commissioned as defined in the *NGL*.

**compression delivery zone** means one or more compression service points which comprise a compression delivery zone as determined by AEMO and specified in the transportation service point register.

**compression receipt zone** means one or more compression service points which comprise a compression receipt zone as determined by AEMO and specified in the transportation service point register.

**compression service** means a service provided by means of a compression service facility.

**compression service point** means a point, or combination of points (sometimes known as a notional point) at which a transportation service provider receives (takes delivery of) or may receive natural gas, or delivers or may deliver natural gas, for the provision of a compression service.

**compression zone** means a compression receipt zone or a compression delivery zone.

**conditionally exempt facility** means an exempt transportation facility that is the subject of an exemption granted by the AER under Subdivision 3.1 of Division 3 and where:

- (a) the transportation facility (or relevant part) qualified for the exemption under rule 611(3)(b) because it is a single user facility; or
- (b) the transportation facility (or relevant part) qualified for the exemption under rule 611(3)(c) because it has a nameplate rating less than 10 TJ per day.

**Corporations Act** means the Corporations Act 2001 of the Commonwealth.

**CTP application date** is defined in rule 638(4).

**curtailment** includes curtailment of a nomination during scheduling before the start of the gas day and curtailment or interruption during the course of the gas day; and **curtail** has a corresponding meaning.

**day-ahead nomination** means a nomination given on a gas day about intended use of a transportation service on the following gas day or any part of the following gas day.

**delivery zone** means a pipeline delivery zone or a compression delivery zone.

**designated compression service facility** has the meaning given in the *NGL*.

**DWGM interface point** has the meaning given in rule 630(1).

**election procedures** means the election procedures for the OTS Code Panel published by AEMO under rule 599(1)(b).

**exempt transportation facility** means a transportation facility, or part of a transportation facility, that is the subject of an exemption under rule 610, for so long as the exemption continues.

**facility agreement** means a primary facility agreement or an operational transportation service agreement and, to avoid doubt, includes a facility agreement made pursuant to an access arrangement or an access determination.

**facility operator** means, in relation to a Part 24 facility, the transportation service provider registered under this Part as the facility operator for the Part 24 facility.

**facility specific terms** means terms and conditions that are:

- (a) incorporated in or to be incorporated in a standard OTSA for a transportation facility; and
- (b) developed or to be developed for the transportation facility in accordance with this Part and the Code.

**firm**, in relation to a transportation service, has the meaning given in Part 25.

**forward haul pipeline segment** means a part of a pipeline between pipeline zones, as specified in the transportation service point register.

**gas day** means, for a transportation facility, the period of 24 consecutive hours used for the nomination, scheduling and provision of services provided by means of the transportation facility.

**impact and implementation report** has the meaning given in rule 601(6).

**nameplate rating:**

- (a) when used in the context of a pipeline, has the meaning given in Part 18;
- (b) when used in the context of a service point, means the maximum quantity of natural gas that can be received or delivered through the service point on a gas day for the service point; and
- (c) when used in the context of a compression service facility, means a set of values describing the maximum quantity of natural gas that can be compressed by the compression service facility on a gas day for the compression service facility under a corresponding set of expected standard operating conditions.

**nomination** means a nomination for use of a transportation service and may include the quantity of natural gas and service points in respect of which the transportation service will be used.

**nomination cut-off time** means, for a transportation service, the time by which a day-ahead nomination for a gas day for use of the transportation service must be made for the purposes of scheduling for that gas day.

**operating manual** means the operating manual for the OTS Code Panel published by AEMO under rule 599(1)(c).

**operational capacity** has the meaning given in Part 25.

**operational transfer** means a transfer of transportation capacity for use under an operational transportation service agreement.

**operational transportation service** has the meaning given in the *NGL*.

**operational transportation service agreement** has the meaning given in the *NGL*.

**Operational Transportation Service Code** has the meaning given in the *NGL*.

**Operational Transportation Service Code Panel** or **OTS Code Panel** means the panel of persons established by AEMO in accordance with rule 599(1) and having the functions specified in rule 600.

**park service** means a transportation service under which transportation capacity in a pipeline is made available for use as a storage service and which may also permit a transportation facility user to loan natural gas from the pipeline.

**park service point** means, in relation to a park service, a service point at which a transportation facility user must have transportation capacity in order to use the park service.

**Part 24 commencement date** means the date this Part commences.

**Part 24 facility** means a transportation facility other than an exempt transportation facility.

**Note:**

Refer to subrule (6).

**Part 24 information standard** means the practices, methods and acts that would reasonably be expected from an experienced and competent person engaged in the ownership, operation or control of a transportation facility of the applicable type acting with all due diligence, prudence and foresight and in compliance with all applicable legislation (including these rules), authorisations and industry codes of practice.

**permitted alteration** means an alteration to the standard terms or form of agreement in the Code of a kind specified or referred to in the Code as a permitted alteration.

**pipeline delivery zone** means one or more pipeline service points which comprise a pipeline delivery zone as determined by AEMO and specified in the transportation service point register.

**pipeline receipt zone** means one or more pipeline service points which comprise a pipeline receipt zone as determined by AEMO and specified in the transportation service point register.

**pipeline segment** means a forward haul pipeline segment or a backhaul pipeline segment.

**pipeline service point** means a point, or combination of points (sometimes known as a notional point) at which a transportation service provider receives (takes delivery of) or may receive natural gas, or delivers or may deliver natural gas, for

the provision of a pipeline service, including *receipt or delivery points* and in-pipe trading points.

**pipeline zone** means a pipeline receipt zone or a pipeline delivery zone.

**primary facility agreement** means an agreement between a transportation service provider and a transportation facility user under which the transportation service provider provides or may provide a transportation service to the transportation facility user using primary transportation capacity of the transportation facility user. If an agreement provides for the use of primary transportation capacity and other transportation capacity, a reference to a primary facility agreement means that agreement as it applies in relation to primary transportation capacity.

**primary shipper** means a transportation facility user in its capacity as a party to a primary facility agreement.

**primary transportation capacity** means transportation capacity acquired by a transportation facility user from the transportation service provider for the transportation capacity. For the purposes of this Part and Part 22:

- (a) transportation capacity ceases to be primary transportation capacity if it is transferred by means of an operational transfer (even if re-acquired by the transportation facility user for whom it was primary transportation capacity); and
- (b) once transferred, the transportation capacity is taken to have been first derived from the primary facility agreement under which the primary transportation capacity was acquired.

**prospective secondary shipper** means a person who seeks or wishes to be provided with an offer to enter into a standard OTSA or an operational transportation service agreement for a conditionally exempt facility and includes a person who is already provided with an operational transportation service under a standard OTSA or any other agreement.

**publish**, by a person, means to make publicly available on the person's website and in the case of AEMO, includes to make publicly available on the Natural Gas Services Bulletin Board.

**receipt zone** means a pipeline receipt zone or a compression receipt zone.

**related body corporate** has the meaning given in the Corporations Act.

**related entity** means, in relation to an entity, an entity that controls or is controlled by that first mentioned entity; where "control" has the meaning given in the Corporations Act.

**renomination** means a request made after the nomination cut-off time for a gas day to vary a nomination for the gas day, including variation to a deemed or default day-ahead nomination.

**required alteration** means an alteration to the standard terms or form of agreement in the Code of a kind specified or referred to in the Code as a required alteration.

**required amendment** means, in relation to a standard OTSA, an amendment to:

- (a) the standard terms made by a Code amendment decision; or
- (b) any provision in a standard OTSA of a kind specified or referred to in the Code or a Code amendment decision as a required amendment.

**reserved** has the meaning given in Part 25.

**schedule** means, according to the context:

- (a) the process of determining the scheduled quantities for a gas day and includes determining any variation before or during a gas day due to curtailment or renomination; and **scheduling** has a corresponding meaning; and
- (b) the information provided by the transportation service provider to a transportation facility user about the scheduled quantities in respect of that transportation facility user.

**scheduled quantity** has the meaning given in Part 25.

**secondary shipper** means a transportation facility user in its capacity as a party to an operational transportation service agreement.

**Note:**

The term ‘secondary shipper’ includes transportation facility users who have acquired transportation capacity through the auction (as well as bilaterally or through the gas trading exchange).

**service continuity period** means, in relation to traded capacity, a period commencing on the gas day after the gas day on which AEMO is notified under the Capacity Transfer and Auction Procedures of the termination of the primary facility agreement from which the traded capacity is first derived and ending on the first to occur of:

- (a) the expiry of the service term applicable to the traded capacity; and
- (b) the expiry of 14 gas days (including the first gas day in that period).

**service point** means a compression service point or a pipeline service point.

**service term** means, in relation to traded capacity, the period of time during which the buyer of the transportation capacity has a right to use the traded capacity, as provided for in the arrangements applicable to the gas trading exchange.

**single direction pipeline** has the meaning given in Part 25.



**single user facility** has the meaning given in rule 611(4).

**stand-alone compression service facility** means a compression service facility that is or may be used to facilitate the flow of natural gas between transmission pipelines and in respect of which compression services are or may be provided.

**standard operational transportation service** means an operational transportation service for which a service description, standard terms and conditions for provision and use of the service and a description of and requirements for facility specific terms applicable to the service, are included in the Code. To avoid doubt, each auction service is also a standard operational transportation service.

**standard operational transportation service agreement** or **standard OTSA** means, for a transportation service provider and a transportation facility, the standard OTSA for the transportation facility published by the transportation service provider from time to time in accordance with the *NGL* and this Part.

**standard terms** means the terms and conditions for the use of operational transportation services described in the Code as standard terms and comprising:

- (a) the description of the standard operational transportation services in the Code; and
- (b) other terms and conditions described as standard terms in the Code.

**standardisation costs** has the meaning given in rule 634(1).

**STTM interface point** has the meaning given in rule 630(1).

**terminated seller** means, in relation to traded capacity that was first derived from a terminated primary facility agreement, a transportation facility user who was a party to the terminated primary facility agreement.

**third party access facility** has the meaning given in rule 611(4).

**traded capacity** means transportation capacity that has been sold through the gas trading exchange and transferred to a buyer such that it has ceased to be primary transportation capacity, including by means of a pre-matched trade, as that term is defined in the exchange agreement for the gas trading exchange.

**transfer**, in relation to transportation capacity, has the meaning given in the *NGL*.

**transfer point** means the point where gas is transferred between a declared transmission system and a transmission pipeline that is not part of the declared transmission system.

**transportation service point register** means the register of service points, pipeline segments and zones maintained by AEMO under rule 629.

**transportation service provider group** has the meaning given in rule 620(1).

**zone** means a pipeline zone or a compression zone.

- (2) Each part of a pipeline classified under the *NGL* or another Part is taken to have the same classification for the purposes of this Part.

**Note:**

Refer to sections 18 and 19 of the *NGL* and rule 550 in Part 23.

- (3) For the purposes of this Part, a pipeline that is not classified under the *NGL* or another Part is classified as a transmission pipeline or a distribution pipeline applying the pipeline classification criterion in section 13 of the *NGL*.
- (4) A transportation service provider or transportation facility user required by a provision of this Part to make a record or give information or data to AEMO or the AER, including information resulting from calculations, must make the record or prepare and submit that information or data and perform those calculations in accordance with the Part 24 information standard.
- (5) AEMO is not required to verify the accuracy of information provided to it for the purposes of performing its functions under this Part, except as expressly provided in this Part or the Capacity Transfer and Auction Procedures.
- (6) For the purposes of this Part, a reference to a Part 24 facility:
  - (a) in the case of a pipeline registered as a single facility under rule 623(3) or multiple transportation facilities registered as a single facility under rule 623(4), means the single Part 24 facility so registered; and
  - (b) in the case of a Part 24 facility registered as two or more separate facilities under rule 623(4), means each separate Part 24 facility so registered.

## **594 Part 23 does not apply**

- (1) Subject to subrule (2), for the purposes of rule 563(2)(e), an access dispute about the terms and conditions of a standard OTSA is excluded from the operation of Part 23.
- (2) Subrule (1) does not apply to an access dispute about the terms and conditions for the provision of a transportation service that is not a standard operational transportation service (whether or not incorporated or to be incorporated in an agreement that is otherwise in the form of a standard OTSA).

## **Division 2            Operational Transportation Service Code**

### **Subdivision 2.1    Objective and content**

#### **595            Code objective, effective date, amendment and publication**

- (1) The Code objective is to provide for access to operational transportation services on reasonable terms, which for the purposes of this Part, is taken to mean at prices and on other terms and conditions that, so far as practical, reflect the outcomes of a workably competitive market.
- (2) The initial Operational Transportation Service Code comes into effect when it is made.
- (3) The AER may amend the Code, subject to and in accordance with this Division.
- (4) The AER must publish:
  - (a) the initial Operational Transportation Service Code and each subsequent version of the Code; and
  - (b) each Code amendment decision.

#### **596            Content of the Code**

- (1) The Code must make provision for or with respect to:
  - (a) the terms and conditions for the provision of standard operational transportation services; and
  - (b) any other matter that the *NGL* or the rules requires to be addressed in the Code.
- (2) The Code must contain:
  - (a) a description of each standard operational transportation service, if applicable identifying it as an auction service;
  - (b) terms and conditions for the provision and use of standard operational transportation services;
  - (c) a description of, and the requirements for, facility specific terms for the provision and use of standard operational transportation services; and
  - (d) a form of agreement for execution by the parties, incorporating:
    - (i) the standard terms;
    - (ii) the facility specific terms applicable to the transportation facility or facilities to which the agreement relates; and

- (iii) amendments to the standard terms or those facility specific terms made from time to time.
- (3) The Code must, to the extent reasonably practicable, provide for the terms and conditions for the provision of a standard operational transportation service to be specified in the standard terms (in preference to facility specific terms).
- (4) The service descriptions and the terms and conditions for provision and use of standard operational transportation services in the Code, including standard terms and the description of, and the requirements for, facility specific terms, must be consistent with:
  - (a) this Division;
  - (b) in the case of auction services, Part 25, including the auction service priority principles; and
  - (c) the Capacity Transfer and Auction Procedures.

## **597 Standard operational transportation services and auction services**

- (1) The standard operational transportation services must include all the auction services.

**Note:**

The auction service priority principles are in Part 25.

- (2) The standard operational transportation services (other than auction services) may include forward haul services, park services, compression services or any other transportation service capable of being provided by means of a Part 24 facility.
- (3) The standard operational transportation services (other than auction services) for forward haul services and compression services must be provided using the zonal model as described in this subrule. Under the zonal model:
  - (a) when an operational transfer is notified to the transportation service provider:
    - (i) the seller of the transportation capacity must specify the service point within each zone from which the transportation capacity must be released to give effect to the sale; and
    - (ii) the buyer of the transportation capacity must specify the service points within the receipt zone and delivery zone respectively at which the buyer wishes to have the transportation service provided;
  - (b) the service points referred to in paragraph (a)(ii) do not have to be the same service points as those specified by the seller for the release of the transportation capacity; and

- (c) where the operational capacity at a service point is insufficient to meet all the nominations or renominations of transportation facility users for the use of the transportation capacity at that point on a gas day, then in scheduling or curtailing services for the gas day, the transportation service provider must give priority to:
  - (i) first, nominations and renominations for the use of firm forward haul services, firm backhaul services or firm compression services (as applicable) provided using primary transportation capacity under a primary facility agreement with transportation capacity reserved at that service point; and
  - (ii) then, nominations and renominations for the use of the service point for any other firm forward haul service, firm backhaul service or firm compression service (as applicable).
- (4) For the purposes of subrule (3)(c)(i), a reference to a firm forward haul service or firm backhaul service includes a reference to a firm forward haul service or firm backhaul service supplied together with a firm park service as a single service.
- (5) To avoid doubt, the gas trading exchange agreement made in accordance with Part 22 may require a seller or buyer to specify the service points referred to in subrule (3)(a) at the time the transaction is entered into through the gas trading exchange for notification by AEMO under the Capacity Transfer and Auction Procedures.

## **598 Standard terms and facility specific terms**

- (1) Subject to rules 596 and 597, the standard terms may make provision for or with respect to any matter that it is necessary or convenient to deal with as standard terms, which may include:
  - (a) conditions precedent to the provision of service;
  - (b) the provision of credit support and evidence of insurance;
  - (c) obligations of transportation service providers and transportation facility users with respect to the provision and use of transportation services under the agreement;
  - (d) operational matters including nominations, renominations, scheduling, curtailment, reporting and allocation of receipts and deliveries of natural gas and transportation facility maintenance;
  - (e) gas quality, pressure and temperature and arrangements with respect to off-specification gas including liabilities;
  - (f) title to gas, risk in and responsibility for gas and coordination of operations;
  - (g) invoicing and payment; and

- (h) general contractual matters including limitations and exclusions of liability, indemnities, termination and representation and warranties.
  - (2) The description of, and the requirements for, facility specific terms in the Code:
    - (a) must include principles that must be complied with when making the facility specific terms that are consistent with the Code objective;
- Note:**
- For example, the Code may require facility specific terms to be consistent with equivalent terms in an access arrangement approved by the AER under Part 8 or to not discriminate against secondary shippers.
- (b) may make further provision with respect to matters that are provided for in the standard terms and are specific to the transportation facility;
  - (c) subject to rule 634, may make provision for charges relating to the recovery of standardisation costs; and
  - (d) subject to rule 596(3), may make provision for or with respect to any other matter that it is necessary or convenient to deal with as facility specific terms.

## **Subdivision 2.2 How the Code is amended**

### **599 Establishment and operation of the OTS Code Panel**

- (1) AEMO must:
  - (a) establish the Operational Transportation Service Code Panel (also known as the OTS Code Panel), the composition of which must be in accordance with this Subdivision;
  - (b) develop and publish and may amend the election procedures for the OTS Code Panel, to provide for:
    - (i) the identification of persons eligible to nominate or be appointed as members and persons eligible to vote;
    - (ii) nomination procedures for members selected by vote, the voting procedures and the determination and publication of election results;
    - (iii) the term of a member, the removal or resignation of a member and ad-hoc appointments to the OTS Code Panel in those circumstances; and
    - (iv) any other matter that it is convenient to deal with in the election procedures;

- (c) develop and publish and may amend the operating manual for the OTS Code Panel, to provide for the manner in which the OTS Code Panel performs its functions, including the arrangements for:
    - (i) assessing, developing if necessary, consulting on and making recommendations in relation to Code amendment proposals;
    - (ii) preparation of impact and implementation reports;
    - (iii) panel administration including communications, meetings and the development of budgets; and
    - (iv) any other matter that it is convenient to deal with in the operating manual; and
  - (d) maintain a register of members of the OTS Code Panel that includes the name of each current member, their category of membership and the name of any alternate appointed by that member.
- (2) Before making or amending the election procedures or the operating manual, AEMO must consult in accordance with the *standard consultative procedure*.
- (3) AEMO must establish and manage the arrangements for:
  - (a) receipt and initial assessment of Code amendment proposals in accordance with rule 601;
  - (b) providing Code amendment proposals to the OTS Code Panel; and
  - (c) publication of information by or on behalf of the OTS Code Panel.
- (4) AEMO may provide advice to the OTS Code Panel or the AER in relation to Code amendment proposals including whether:
  - (a) the Code amendment proposal is consistent with the Capacity Transfer and Auction Procedures and the arrangements for the gas trading exchange and the capacity auction; and
  - (b) changes are required to any AEMO systems or procedures in order to deliver the Code amendment proposal and, if so, the likely costs of making the changes.
- (5) Subject to subrule (6), the following costs must be incurred and paid by AEMO in the first instance and recouped by AEMO as part of the capacity trading and auction costs under Part 15A:
  - (a) the costs of the establishment and operation of the OTS Code Panel (including the costs of specialist advisors);
  - (b) the costs relating to the AEMO member's participation in the OTS Code Panel; and

- (c) the operational costs associated with any service provided by AEMO to facilitate the functioning of the OTS Code Panel.
- (6) The costs of any member (other than the AEMO member) relating to the member's participation in the OTS Code Panel is not to be borne by AEMO or recouped by AEMO as part of the capacity trading and auction costs under Part 15A.

## **600 Functions of the Operational Transportation Service Code Panel**

- (1) The OTS Code Panel has the following functions:
  - (a) assessing and consulting on Code amendment proposals and, to the extent necessary, developing Code amendment proposals;
  - (b) preparing impact and implementation reports;
  - (c) making recommendations in relation to Code amendment proposals;
  - (d) reporting to the AER, in accordance with the rules, on Code amendment proposals;
  - (e) further developing Code amendment proposals at the request of the AER;
  - (f) establishing working groups, where appropriate, to assist with the work of the OTS Code Panel;
  - (g) making recommendations to AEMO for changes to the Capacity Transfer and Auction Procedures or the arrangements for the gas trading exchange or capacity auction where relevant to the effective operation of standard OTSAs;
  - (h) providing advice to the AER in response to a request under rule 604(2)(a); and
  - (i) any other functions conferred on it under the rules.
- (2) In performing its functions, the OTS Code Panel must comply with the operating manual.

## **601 Code amendment proposals**

- (1) Any person, other than a person who is at the time a member of the OTS Code Panel, may propose an amendment to the Code by providing a Code amendment proposal to AEMO. A Code amendment proposal must be in writing and must include details of the proposed amendment and supporting information, including reasons. A Code amendment proposal may include a draft of the proposed amendment.



- (2) Subject to subrule (3), AEMO must within 10 business days of receipt of a Code amendment proposal refer it to the OTS Code Panel for assessment and recommendation in accordance with the rules and the operating manual.
- (3) AEMO may, within the 10 business day period in subrule (2), reject a Code amendment proposal without referring it to the OTS Code Panel if AEMO reasonably considers that the Code amendment proposal is misconceived or lacking in substance.
- (4) If AEMO decides to reject a Code amendment proposal under subrule (3), AEMO must:
  - (a) give the proponent written notice of the decision and the reasons for it; and
  - (b) send to the AER and the OTS Code Panel the decision and the reasons for it, together with the Code amendment proposal received under subrule (1).
- (5) The OTS Code Panel must assess a Code amendment proposal referred to it and to the extent necessary, may consult on and develop the proposal.
- (6) Within 50 business days of a Code amendment proposal being referred to the OTS Code Panel, the OTS Code Panel must submit a report to the AER (an **impact and implementation report**) containing:
  - (a) a critical examination of the Code amendment proposal;
  - (b) an assessment of the likely effect of the amendment, if made;
  - (c) the recommendation of the OTS Code Panel on whether the amendment should be made and if so, the timing and transitional arrangements for implementation; and
  - (d) details of how the OTS Code Panel has had regard to the matters in rule 605 and relevant and material comments that it receives by the closing date for submissions under rule 602.
- (7) AEMO may, at the request of the OTS Code Panel, by publishing a notice, extend the time limit in subrule (6) 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.
- (8) A notice published under subrule (7) must state the reasons for the extension.
- (9) If the OTS Code Panel is unable to make a recommendation in respect of a Code amendment proposal within the time limit in subrule (6) (as may have been extended), AEMO must refer the matter to the AER.

- (10) If the matter is referred to the AER under subrule (9), the AER must either:
  - (a) treat the matter as a recommendation by the OTS Code Panel not to make the Code amendment; or
  - (b) extend the time limit for the OTS Code Panel to consider and make a recommendation about the Code amendment proposal.
- (11) If a proponent withdraws its Code amendment proposal, the process established pursuant to this rule and rule 602 in relation to that Code amendment proposal lapses.

## **602 Consultation by the OTS Panel**

- (1) The OTS Code Panel may invite the AEMC, AEMO (in addition to its representation on the OTS Code Panel) and any consumer or industry representative body the OTS Code Panel considers appropriate, to provide advice in relation to a Code amendment proposal.
- (2) Subject to subrule (3), before the OTS Code Panel submits its impact and implementation report to the AER in relation to a Code amendment proposal, the OTS Code Panel must publish a notice:
  - (a) setting out the proposed Code amendment together with the draft impact and implementation report; and
  - (b) inviting interested persons to submit written comments on or before a closing date for submission specified in the notice, which must be a reasonable time after the notice is published having regard to the nature of the proposal and must be at least 20 business days.
- (3) No notice under subrule (2) is required to be published for an amendment that is:
  - (a) urgently necessary to ensure the proper operation of the capacity auction or the gas trading exchange or the safe and reliable operation of 1 or more transportation facilities; or
  - (b) non-material (that is, the amendment corrects a minor error in the Code or is unlikely to have a significant financial or operational impact).
- (4) In preparing the final impact and implementation report for the AER in relation to a Code amendment proposal, where the OTS Code Panel has consulted on the proposed Code amendment:
  - (a) the OTS Code Panel must take into account all relevant and material comments it receives by the closing date for submission and include a summary of those comments; and
  - (b) in its discretion, the OTS Code Panel may take into account any comments it receives after the closing date for submission.

**Note:**

This rule represents the minimum requirements. The OTS Code Panel is not prevented from seeking commentary on the proposal by other means and from other sources.

**603 AER response to OTS Code Panel recommendations**

- (1) Subject to subrule (2), the AER must make and publish its decision as provided for in this rule not later than 40 business days after receipt of a recommendation from the OTS Code Panel about a proposed Code amendment.
- (2) The AER may, by publishing a notice, extend the time limit in subrule (1) if further time to consult is required having regard to the nature of the proposed Code amendment, the issues raised in the impact and implementation report and any other matters raised with the AER.
- (3) The AER may conduct further consultation about a proposed Code amendment the subject of a recommendation from the OTS Code Panel before making its decision and may request advice from AEMO (in addition to any provided through the OTS Code Panel) or advice from the AEMC or any other person with relevant expertise.
- (4) The AER may decide to:
  - (a) accept the recommendation of the OTS Code Panel; or
  - (b) reject the recommendation of the OTS Code Panel and, where the recommendation from the OTS Code Panel is not to make a Code amendment, make a Code amendment on its own initiative under rule 604; or
  - (c) remit the proposal to the OTS Code Panel for further consideration, either in the same form or in a modified form, in which case the AER must also notify the OTS Code Panel of the AER's expected time frame for completion of that further work.

**604 Code amendments**

- (1) The AER may make an amendment to the Code on the recommendation of the OTS Code Panel or on its own initiative.
- (2) Before making an amendment to the Code on its own initiative, the AER must:
  - (a) request advice from the OTS Code Panel and AEMO (separately from advice provided through its representation on the OTS Code Panel) and may request advice from the AEMC and any consumer or industry representative body the AER considers appropriate;
  - (b) subject to subrule (3), publish a notice:

- (i) setting out the proposed Code amendment together with a critical examination of the proposed Code amendment and an assessment of the likely effect of the amendment if made; and
  - (ii) inviting interested persons to submit written comments on or before a closing date for submission specified in the notice, which must be a reasonable time after the notice is published having regard to the nature of the proposal and must be at least 20 business days; and
- (c) where it has consulted under paragraph (b), publish its decision in accordance with subrule (4).
- (3) No consultation is required for an amendment that has been the subject of prior consultation by the OTS Code Panel or that is:
  - (a) urgently necessary to ensure the proper operation of the capacity auction or the gas trading exchange or the safe and reliable operation of 1 or more transportation facilities; or
  - (b) non-material (that is, the amendment corrects a minor error in the Code or is unlikely to have a significant financial or operational impact).
- (4) Where the AER conducts consultation, the AER must take into account all relevant and material comments it receives by the closing date for submission and must include a summary of the comments in its decision. The AER may in its discretion take into account any comments it receives after the closing date for submission.

## **605 Principles for making Code amendment decisions**

- (1) In deciding whether to make an amendment to the Code, the AER must:
  - (a) take into account the Code objective;
  - (b) give effect to the requirements for the Code in Subdivision 2.1; and
  - (c) take into account the operational and technical requirements necessary for the safe and reliable operation of transportation facilities.
- (2) In deciding whether to make an amendment to the Code, the AER may also take into account:
  - (a) the legitimate business interests of transportation service providers in relation to transportation facilities; and
  - (b) the interests of all persons who have a right to use transportation facilities.
- (3) The AER's decision in relation to a proposal to make an amendment to the Code must state the reasons for the AER's decision.

- (4) Where the AER has decided to make an amendment to the Code, the Code amendment decision must state:
  - (a) the time the amendment takes effect or, if different provisions in the amendment take effect at different times, those times; and
  - (b) the time by which transportation service providers must prepare and publish new standard OTSAs giving effect to the amendment, which must not be earlier than 30 business days after the Code amendment decision is published by the AER.
- (5) A Code amendment decision may provide for matters consequent on the amendment including required amendments and provisions of a savings or transitional nature.
- (6) An amendment to the Code takes effect at the time or times specified by the AER in the Code amendment decision.
- (7) The AER may specify that an amendment to the Code takes effect at different times for different classes of transportation capacity (for which purpose the same type of transportation capacity purchased at different times may comprise different classes).

**Note:**

For example, a Code amendment may apply to transportation capacity purchased after the date it takes effect, but not to transportation capacity purchased before that date with a service term that starts or continues after that date.

- (8) A Code amendment decision must not have the effect of altering the rights and obligations of the parties in relation to the provision or use of a standard operational transportation service accrued prior to the date on which the amendment to the Code takes effect.
- (9) An amendment to the Code is effective notwithstanding any defect in the process followed by the AER, AEMO or the OTS Code Panel in relation to the amendment.
- (10) If the Court orders (by declaration or otherwise) that a provision of the Code is invalid, the order of the Court does not affect the previous operation of the Code or affect a right, privilege or liability accrued or incurred under an operational transportation service agreement.

## **Subdivision 2.3 OTS Code Panel membership and procedures**

### **606 Members of the OTS Code Panel**

- (1) The OTS Code Panel must consist of:

- (a) two persons nominated and elected as members by transportation service providers who are registered with AEMO under this Part as facility operators, to represent transportation service providers;
  - (b) two persons nominated and elected as members by transportation facility users who are also Registered participants or gas trading exchange members, one of whom must be appointed to represent transportation facility users generally and one of whom must be appointed to represent large users of natural gas; and
  - (c) one person appointed as a member by AEMO to represent AEMO, who must be an authorised employee of AEMO.
- (2) Each member must serve on the OTS Code Panel for the term specified in the election procedures, subject to the member's resignation, removal or replacement in accordance with the rules, election procedures or operating manual.
- (3) Subject to subrule (4), a member may appoint a person to act on the member's behalf as the member's alternate if the member is unable to attend or vote at a meeting of the OTS Code Panel due to a material conflict of interest or otherwise.
- (4) An alternate appointed under subrule (3):
- (a) must meet the qualification requirements under rule 607(4) and where applicable, the election procedures;
  - (b) other than in the case of an alternate appointed by the AEMO member, must be approved by simple majority of the OTS Code Panel; and
  - (c) may attend and vote at meetings of the OTS Code Panel and otherwise may exercise all the powers, and must perform all the duties, of a member represented by that alternate (including, but not limited to, acting as chair of the OTS Code Panel where the relevant member is the AEMO member), when the member is not present at the meeting.

## **607 Nomination, election and appointment of members**

- (1) A person may only be nominated and elected as a member in accordance with the rules and the election procedures.
- (2) If two or more persons are related bodies corporate or related entities and belong to the same voter category (**related voters**), then only one of the related voters may nominate and vote in respect of an election for the relevant voter category.
- (3) A person may only be nominated as a member if the person satisfies the requirements for the voter category for which the person is nominated as set out in the rules and the election procedures.
- (4) A person nominated or appointed to be a member of the OTS Code Panel or as an alternate must be a natural person and must have:

- (a) the experience and the skills to perform the member's role and where applicable, to consider the issues that affect the voter category that the person is being nominated to represent;
- (b) knowledge of the subject matter of the Code; and
- (c) knowledge and understanding of the rules and related legislative and regulatory framework.

## **608 Obligations of OTS Code Panel members**

- (1) Each member of the OTS Code Panel in performing any duties or in exercising any right, power or discretion as a member must:
  - (a) at all times act honestly;
  - (b) exercise the degree of care and diligence that a reasonable person in a like position would exercise;
  - (c) not make improper use of information acquired by virtue of being a member to gain, directly or indirectly, an advantage for the member, or a person or body by whom the member is employed and/or who nominated the member to be a member;
  - (d) not make improper use of the member's position as a member to gain, directly or indirectly, an advantage for the member or a person or body by whom the member is employed and/or who nominated the member to be a member; and
  - (e) not take part in any decision of the OTS Code Panel where the member has, or would reasonably be considered to have, a material conflict of interest in the matter to be decided by the OTS Code Panel.
- (2) For the purposes of this Subdivision, a conflict will be material if it detracts from, or would reasonably be considered to be likely to detract from, the member's capacity to exercise independent judgment in respect of the relevant matter.
- (3) For the purposes of subrule (2), a member does not have a material conflict of interest in relation to a Code amendment proposal merely by reason of the Code amendment proposal having been submitted by a person or body by whom that member is employed and/or who nominated the person to be a member.

### **Note:**

The member may nonetheless have a material conflict of interest in such a proposal.

- (4) Notwithstanding subrules (1) and (2), a member may take into account the interests of persons it has been elected to represent in performing the member's duties and exercising any right, power or discretion as a member.

- (5) A member who has a material conflict of interest in a matter to be decided or determined by the OTS Code Panel must give the other members notice of the conflict of interest.
- (6) A contravention of subrule (1)(e) or subrule (5) by a member does not affect the validity of any decision or determination of the OTS Code Panel.
- (7) No personal liability attaches to a member of the OTS Code Panel for an act or omission done in good faith in the performance or exercise, or purported performance or exercise, of a function or power with respect to the OTS Code Panel.
- (8) In this rule, a reference to a member of the OTS Code Panel includes a reference to a person appointed to the OTS Code Panel as an alternate, as if that person were a member of the OTS Code Panel.

## **609 Meetings of the OTS Code Panel**

- (1) The OTS Code Panel must meet at least once every six months and may meet in person or by video link or by other means provided for in the operating manual.
- (2) Subject to subrule (3), the AEMO member is the chair of the OTS Code Panel.
- (3) If the AEMO member and that person's alternate (if any) are unable to act as chair at a meeting of the OTS Code Panel because the member or alternate has, or would reasonably be considered to have, a material conflict of interest in the matter to be decided or determined by the OTS Code Panel at that meeting, then a member chosen by an ordinary majority may preside as chair of the meeting for the relevant matter.
- (4) The quorum for a meeting of the OTS Code Panel consists of 3 members and must include the AEMO member, except where the AEMO member and that person's alternate (if any) are unable to attend the meeting because the AEMO member and that person's alternate (if any) have, or would reasonably be considered to have, a material conflict of interest in the matters to be decided or determined by the OTS Code Panel at the meeting.
- (5) Decisions of the OTS Code Panel may be made by simple majority of those present and voting. Each member of the OTS Code Panel has one vote. In the event that votes are tied, the chair of the meeting has a casting vote.



## Division 3 Exemptions and registration

### Subdivision 3.1 Exemptions

#### 610 Scope of exemptions

- (1) The transportation service provider for a transportation facility, or a part of a transportation facility, specified in subrule (2) is exempt from the following obligations, for so long as the exemption continues:
  - (a) the obligations in section 228B of the *NGL* with respect to the preparation and publication of a standard OTSA in respect of the transportation facility;
  - (b) the obligations in section 228C of the *NGL* with respect to offering to enter into, and entering into, a standard OTSA in respect of the transportation facility; and
  - (c) the obligations in section 91BRR of the *NGL* to register the transportation facility with AEMO and to register as the transportation service provider for that transportation facility.
- (2) The transportation facilities specified for the purposes of subrule (1) are:
  - (a) a pipeline classified as a distribution pipeline;
  - (b) a transportation facility, other than a transfer point, that forms part of a declared transmission system;
  - (c) a compression service facility that is not:
    - (i) a stand-alone compression service facility; or
    - (ii) a designated compression service facility;
  - (d) subject to subrule (3), a transportation facility located in the Northern Territory; and
  - (e) a transportation facility, or a part of a transportation facility, that is the subject of an exemption granted by the AER under this Subdivision.

**Note:**

Paragraphs (c)(i) and (ii) do not preclude the grant of an exemption by the AER under this Subdivision for a stand-alone compression service facility or a designated compression service facility.

- (3) The exemption for transportation facilities referred to in subrule (2)(d) expires on the date on which the first transmission pipeline capable of transporting natural gas between the Northern Territory and a location in Queensland, New South Wales or South Australia, is commissioned.

## 611 Exemptions granted by the AER

- (1) The AER must, on the application of the transportation service provider for a transportation facility, grant an exemption under this Subdivision in respect of the transportation facility or a part of the transportation facility, if:
  - (a) the transportation service provider has demonstrated to the reasonable satisfaction of the AER that the transportation facility (or relevant part) qualifies for an exemption under subrule (3); and
  - (b) in the case of part of a transportation facility, the grant of the exemption in respect of that part of the transportation facility will not hinder access to operational transportation services on any other part of the transportation facility; and
  - (c) the AER is otherwise satisfied that in all the circumstances the exemption should be granted.
- (2) Subject to this Subdivision, the AER may grant an exemption under this Subdivision in respect of a class or group of transportation facilities on the application of a transportation service provider for one or more of the transportation facilities or on its own initiative.
- (3) A transportation facility (or relevant part) qualifies for an exemption under this Subdivision, and the AER must only grant an exemption under this Subdivision for the transportation facility (or relevant part), if:
  - (a) the transportation facility (or relevant part) is not a third party access facility; or
  - (b) the transportation facility (or relevant part) is a single user facility and the exemption is subject to the condition in subrule (6); or
  - (c) the transportation facility (including each part) has a nameplate rating less than 10 TJ per day and the exemption is subject to the condition in subrule (6).
- (4) For the purposes of subrule (3):
  - (a) a transportation facility (or the relevant part) is a **third party access facility** if any transportation services on the transportation facility are offered or provided, directly or indirectly to any person other than:
    - (i) the transportation service provider for the transportation facility;
    - (ii) a related body corporate of the transportation service provider for the transportation facility; or
    - (iii) a joint venture in which the transportation service provider for the transportation facility or a related body corporate of the transportation

service provider for the transportation facility is a joint venture participant; and

- (b) a transportation facility (or the relevant part) is a **single user facility** if:
  - (i) the transportation facility is a third party access facility; and
  - (ii) all transportation services on the transportation facility are provided to a single transportation facility user, taking into account transportation services provided both directly and indirectly by the transportation service provider.
- (5) For the purposes of subrule (4):
  - (a) the circumstances in which a transportation service provider for a transportation facility provides a transportation service to a transportation facility user indirectly include where:
    - (i) an associate of the transportation service provider provides the transportation service to the transportation facility user; and
    - (ii) the transportation service is bundled with the supply of natural gas; and
  - (b) the circumstances in which transportation services on a transportation facility are provided to a transportation facility user include where the transportation facility user has a current operational transportation service agreement in relation to that transportation facility, even if the transportation facility user has no transportation capacity for the transportation facility.

**Note:**

Section 2 of the *NGL* defines associate and supply.

- (6) An exemption granted for a transportation facility (or the relevant part) that is a single user facility or has a nameplate rating less than 10 TJ per day must be subject to a condition that the transportation service provider for the transportation facility (or if there is more than one, a transportation service provider named in the exemption) must, if it or another transportation service provider named in the exemption receives an eligible request for an operational transportation service agreement in the form of a standard OTSA for the transportation facility:
  - (a) prepare an agreement satisfying the requirements for a standard OTSA under the rules and the Code for the transportation facility (or the relevant part) as if the transportation facility were a Part 24 facility; and
  - (b) make an offer to enter into the agreement with the prospective secondary shipper in accordance with, and subject to, rule 637 as if the transportation facility were a Part 24 facility and the agreement were a standard OTSA for the purposes of that rule,

within 60 business days after receiving the request and information reasonably required to demonstrate to the transportation service provider that the request is an eligible request.

For the purposes of this subrule, a request for an operational transportation service agreement in the form of a standard OTSA is an **eligible request** if the request is made by a prospective secondary shipper who is eligible under rule 636(5) and who intends to enter into the agreement and use its reasonable endeavours to procure transportation capacity on the transportation facility.

- (7) An exemption granted by the AER in accordance with this Subdivision:
  - (a) takes effect on a date specified by the AER in the exemption; and
  - (b) ends on the expiry date specified in the exemption or, if earlier, the date a revocation of the exemption made under this Subdivision comes into effect.
- (8) The AER must notify AEMO of each exemption granted under this Subdivision and each exemption revocation.
- (9) The AER must establish, publish and maintain a register of exemptions granted by the AER under this Subdivision and exemption revocations.
- (10) The transportation service provider for a transportation facility for which an exemption has been granted under this Subdivision must notify the AER without delay if circumstances change such that the transportation facility (or the relevant part) no longer qualifies for the exemption under this Subdivision.

## **612 Exemption conditions**

- (1) Subject to rule 611(6), an exemption under this Subdivision may be granted subject to any conditions determined by the AER.
- (2) The transportation service provider for a transportation facility for which an exemption has been granted under this Subdivision must comply with any conditions of the exemption.
- (3) The AER may on the application of the transportation service provider for a transportation facility the subject of an exemption or on its own initiative vary the conditions of an exemption.
- (4) A variation to the conditions of an exemption takes effect on the date specified by the AER in its decision to grant the variation.

## **613 Revocation**

- (1) The AER may revoke an exemption granted by it under this Subdivision where in the AER's reasonable opinion, the relevant transportation facility no longer qualifies for the exemption.

- (2) In deciding whether to revoke an exemption under subrule (1), the AER may take into account the circumstances by reason of which the transportation facility ceases to qualify for the exemption and whether the circumstances are reasonably likely to continue and if so, for how long.
- (3) The AER may revoke an exemption granted by it under this Subdivision on its own initiative or following an application made by any person.
- (4) A revocation of an exemption under this rule takes effect on the date specified by the AER in its decision to revoke the exemption.

#### **614 Making and form of application**

- (1) A transportation service provider for a transportation facility may apply to the AER for:
  - (a) the grant of an exemption for its transportation facility; or
  - (b) a variation to any condition of an exemption for its transportation facility.
- (2) Any person may apply to the AER for the revocation of, or a variation to, an exemption.
- (3) An application under this Subdivision must be in the form, and contain the information, specified in any guidelines issued by the AER for the purposes of this rule.
- (4) The AER may, within the period for making a decision on the application under rule 615, ask the applicant to provide further information or clarification in support of the application if the AER considers that the application is incomplete or requires clarification.
- (5) If the AER asks for further information or clarification under subrule (4), the application is taken to have been made when the further information or clarification is provided to the AER's satisfaction.

#### **615 Decision on application**

- (1) The AER must decide whether to grant or refuse to grant an application made under rule 614 within 40 business days after the application is made.
- (2) The AER may extend the time period in subrule (1) by a further period of up to 20 business days by giving the applicant written notice of the extension not later than 30 business days after the application is made.
- (3) The AER must:
  - (a) give the applicant written notice of its decision to grant or refuse to grant an application made under rule 614, including any conditions imposed in accordance with rule 611(6) or rule 612; and

- (b) if the AER imposes conditions on the grant of an exemption or a variation of an exemption in accordance with rule 612, or refuses to grant an exemption or variation in response to an application made under rule 614, give the applicant written reasons for its decision.

## **616 Decision to vary or revoke an exemption**

- (1) If the AER proposes to vary or revoke an exemption other than on the application of the transportation service provider for the transportation facility concerned, it must notify the transportation service provider for the transportation facility and invite the transportation service provider to make submissions about the proposed variation or revocation within 20 business days of the notice.
- (2) If a transportation service provider given a notice under subrule (1) provides written submissions to the AER within the period required by the notice, the AER must have regard to those submissions in deciding whether to vary or revoke the exemption.
- (3) If the AER varies or revokes an exemption it must give the transportation service provider for the transportation facility written reasons for its decision.

## **Subdivision 3.2 Registration for transaction support arrangements and the capacity auction**

### **617 AEMO to maintain register and publish guide**

- (1) AEMO must, in accordance with this Part and the Capacity Transfer and Auction Procedures, establish, maintain and publish a register of facility operators and Part 24 facilities registered under this Part.
- (2) The register must include:
  - (a) the name and contact details for each facility operator;
  - (b) a description of each Part 24 facility and the facility operator for the Part 24 facility;
  - (c) a list of pending applications for registration under Part 24; and
  - (d) any further information required by these rules or the Capacity Transfer and Auction Procedures.
- (3) AEMO must develop and publish and may amend a guide for transportation service providers about the process and timing for registration under this Part, the functions of facility operators under this Part, Part 25 and the Capacity Transfer and Auction Procedures and the role of transportation service providers under this Part (even if not registered as a facility operator).

## **618 Registration of transportation service providers**

- (1) A transportation service provider must apply to AEMO to register under this Part as a facility operator if:
  - (a) any of its transportation facilities is a Part 24 facility; and
  - (b) the transportation service provider is not already registered under this Part as a facility operator.
- (2) An application under subrule (1) must be made no later than 20 business days after the person becomes a transportation service provider for a Part 24 facility.
- (3) For the purposes of subrules (1) and (2), in relation to a transportation service provider, a Part 24 facility for which another transportation service provider has been appointed as the responsible transportation service provider in accordance with rule 620 should be disregarded.

## **619 Obligation to register Part 24 facilities**

- (1) A transportation service provider for a Part 24 facility must apply to AEMO to:
  - (a) register the Part 24 facility under this Part, if the Part 24 facility is not already registered under this Part; and
  - (b) be registered under this Part as the facility operator for the Part 24 facility,unless another transportation service provider has been appointed as the responsible transportation service provider for the Part 24 facility in accordance with rule 620.
- (2) An application under subrule (1) must be made no later than 20 business days after the application date for the Part 24 facility.

## **620 Multiple transportation service providers for a Part 24 facility**

- (1) If there is more than one transportation service provider for a Part 24 facility, each transportation service provider for the Part 24 facility is taken to be a member of a **transportation service provider group** for that Part 24 facility (the **relevant Part 24 facility**).
- (2) The members of a transportation service provider group must appoint one of their members in writing (the **responsible transportation service provider**) to register as the facility operator for the relevant Part 24 facility.

### **Note:**

The facility operator is not required to be the same transportation service provider who publishes a standard OTSA for the relevant Part 24 facility. However refer to subrule (9).

- (3) For the purposes of the rules and the Capacity Transfer and Auction Procedures, the members of a transportation service provider group are taken to have authorised the responsible transportation service provider appointed in accordance with subrule (2) to perform the obligations and exercise the rights of a facility operator under this Part, Part 25 and the Capacity Transfer and Auction Procedures in relation to the relevant Part 24 facility, including any right to receive payment from AEMO.
- (4) A transportation service provider appointed by a transportation service provider group as the responsible transportation service provider for a relevant Part 24 facility must apply to:
  - (a) register the relevant Part 24 facility under rule 619; and
  - (b) register as the facility operator for the relevant Part 24 facility under rule 619.
- (5) An application for registration under this Part made by a transportation service provider in the capacity of responsible transportation service provider of a transportation service provider group must contain the information about the transportation service provider group specified in the Capacity Transfer and Auction Procedures.
- (6) The responsible transportation service provider must as soon as practicable update the information about the transportation service provider group provided under subrule (5) if the information changes or is otherwise inaccurate.
- (7) If a responsible transportation service provider has been appointed for a relevant Part 24 facility in accordance with subrule (2) and has registered as the facility operator for the relevant Part 24 facility, for so long as that registration remains in effect, each other member of the transportation service provider group for the relevant Part 24 facility is exempt from the requirement to register the relevant Part 24 facility and as the facility operator for the relevant Part 24 facility.

**Note:**

A member of a transportation service provider group who is not also the facility operator may have obligations under the rules in its capacity as a transportation service provider for the relevant Part 24 facility.

- (8) If a responsible transportation service provider has registered as the facility operator for a relevant Part 24 facility, for so long as that registration remains in effect AEMO may fulfil AEMO's obligations under this Part, Part 25 and the Capacity Transfer and Auction Procedures in relation to the relevant Part 24 facility, including any obligation to make a payment, by performing those obligations in relation to the facility operator for the relevant Part 24 facility.
- (9) If a responsible transportation service provider has registered as the facility operator for a relevant Part 24 facility in accordance with subrule (4), for so long as that registration remains in effect:



- (a) each member of the transportation service provider group must procure and where necessary facilitate, the compliance of the facility operator for the relevant Part 24 facility with its obligations under this Part, Part 25 and the Capacity Transfer and Auction Procedures as the facility operator for the relevant Part 24 facility; and
- (b) the facility operator for the relevant Part 24 facility must procure and where necessary facilitate, the compliance of each other transportation service provider for the relevant Part 24 facility with the transportation service provider's obligations under this Part, Part 25 and the Capacity Transfer and Auction Procedures in relation to the relevant Part 24 facility.

## **621 Change of facility operator**

- (1) If the identity of the transportation service provider for a Part 24 facility registered under this Part changes:
  - (a) the outgoing facility operator must notify AEMO of the change; and
  - (b) the new transportation service provider must apply to register under rule 619 as the facility operator for the Part 24 facility.
- (2) If the identity of the responsible transportation service provider for a Part 24 facility changes:
  - (a) the outgoing facility operator must notify AEMO of the change; and
  - (b) the new responsible transportation service provider (if any) must apply to register under rule 619 as the facility operator for the Part 24 facility.
- (3) A notice under subrule (1) or (2) must be given no later than 5 business days after the change takes effect.
- (4) An application for registration referred to in subrule (1) or (2) must be made no later than 5 business days after the change takes effect.

## **622 Application for registration**

- (1) An application for registration under this Part must:
  - (a) be in the form and contain the information specified by AEMO in the Capacity Transfer and Auction Procedures; and
  - (b) in relation to an application to register a Part 24 facility, contain:
    - (i) a description of the Part 24 facility; and
    - (ii) unless the information is already provided under Part 18, the nameplate rating of the Part 24 facility.

- (2) An application for registration under this Part may be made:
  - (a) by a person who intends to become a transportation service provider or a responsible transportation service provider;
  - (b) in respect of a proposed Part 24 facility; or
  - (c) by a person intending to register under this Part as a facility operator for a Part 24 facility.
- (3) AEMO may, within 10 business days of receiving an application, ask the applicant to provide further information or clarification in support of the application if AEMO considers that an application is incomplete or requires clarification.
- (4) If a notice is given under subrule (3), the applicant must, within 10 business days of the notice, provide to AEMO the information or clarification required to complete or clarify the application. If the information is not provided in that period, the application is taken to have been made when further information or clarification is provided to AEMO's satisfaction.
- (5) A person registered under this Part must give AEMO updated information as soon as practicable if any information provided in accordance with this rule changes or is otherwise inaccurate.

## **623 AEMO to register applicants and their facilities**

- (1) AEMO must register an applicant as a facility operator pursuant to rule 618 or as the facility operator for a Part 24 facility pursuant to rule 619(1)(b) if the applicant has applied for registration under this Part in that capacity in accordance with this Part.
- (2) Subject to subrules (3) and (4), AEMO must register a Part 24 facility the subject of an application under rule 619(1)(a) if an application for registration of the Part 24 facility pursuant to that rule has been made in accordance with this Part.
- (3) AEMO may register a pipeline that is the subject of multiple pipeline licences as a single Part 24 facility and may require applications for registration to be consolidated for that purpose.
- (4) AEMO may on the application of a facility operator made in relation to its transportation facility (including a transportation facility that is already registered under this Part):
  - (a) register the transportation facility, together with one or more other transportation facilities in respect of which an application under this subrule is made, as a single Part 24 facility; or
  - (b) register a part (or parts) of a transportation facility as a separate Part 24 facility,

in each case, if AEMO is reasonably satisfied that such registration is not likely to hinder access to one or more operational transportation services, having regard to information provided by the facility operator and any other matter that AEMO considers appropriate.

- (5) Where an application for registration is made pursuant to this Part by an intending transportation service provider, intending facility operator for a Part 24 facility or in respect of a proposed Part 24 facility, the registration takes effect at the time determined by AEMO.
- (6) AEMO must confirm registration details to the applicant as provided for in the Capacity Transfer and Auction Procedures.

## **624 Revocation of registration**

- (1) A facility operator must apply to AEMO to revoke its registration under this Part if the facility operator is no longer required by this Part to be registered.
- (2) A facility operator must apply to AEMO to revoke the registration of its transportation facility under this Part if the transportation facility is no longer required by this Part to be registered.
- (3) An application under subrule (1) or (2) must:
  - (a) be in the form specified by AEMO in the Capacity Transfer and Auction Procedures; and
  - (b) contain the information specified by AEMO.
- (4) AEMO must revoke the registration the subject of an application under subrule (1) or (2) if AEMO is satisfied based on the information in the application that the person or transportation facility is no longer required by this Part to be registered.

## **Division 4 Determination of zones and matters for the Capacity Transfer and Auction Procedures**

### **625 Information about facility agreements**

A facility operator for a Part 24 facility must provide to AEMO and keep up to date in accordance with the Capacity Transfer and Auction Procedures, information about facility agreements for the Part 24 facility to allow the accurate identification of those agreements for the purposes of the transaction support arrangements.

### **626 Service point specifications**

- (1) A facility operator for a Part 24 facility must, in accordance with the Capacity Transfer and Auction Procedures, provide to AEMO and keep up to date a specification of each service point at or between which transportation services are

or may be provided by means of the Part 24 facility and each park service point, in a form that complies with the Capacity Transfer and Auction Procedures and is suitable for publication in the transportation service point register.

- (2) A facility operator for a Part 24 facility may from time to time amend the specification of a service point or a park service point in accordance with the Capacity Transfer and Auction Procedures.

## **627 Determination of zones and pipeline segments**

- (1) AEMO must from time to time determine:
  - (a) the allocation of pipeline service points and compression service points to zones, in accordance with rule 628; and
  - (b) the forward haul pipeline segments and backhaul pipeline segments.
- (2) Before making a determination under subrule (1), AEMO must consult in accordance with the Capacity Transfer and Auction Procedures.
- (3) The Capacity Transfer and Auction Procedures must set out the arrangements for AEMO to consult on and determine the proposed allocation of service points to zones and proposed pipeline segments. The arrangements must include provisions with respect to:
  - (a) proposals to be made by a facility operator or any other person (including AEMO) for a determination (including a change to an existing determination);
  - (b) the provision of information by facility operators in connection with the determination;
  - (c) the time frame and process for AEMO to consult, which may allow for extensions of time in reasonable circumstances;
  - (d) an expedited process for AEMO to consult in circumstances where the matter is of a minor or administrative nature;
  - (e) rejection of proposals for change without consultation, including where in the reasonable opinion of AEMO the proposal is for a change proposed, but rejected, in the previous 12 months or is misconceived or lacking in substance;
  - (f) the information to be published in the consultation, including information relating to possible curtailment of capacity released for transfer from one service point in the zone when nominated for use at another service point in the zone;
  - (g) arrangements to maintain the confidentiality of confidential or commercially sensitive information provided to AEMO in connection with a determination; and

- (h) the time at which a determination takes effect and the matters to be taken into account for that purpose, including the impact on transactions occurring before the decision about the determination is made and on the gas trading exchange.
- (4) A facility operator for a Part 24 facility must, in accordance with the Capacity Transfer and Auction Procedures:
  - (a) provide information reasonably required by AEMO to analyse and assess a proposed zone or pipeline segment; and
  - (b) undertake modelling or other analysis of a proposed zone or pipeline segment and provide the results to AEMO, together with information reasonably required by AEMO to analyse the model and the results, including assumptions, inputs, pipeline configuration and methodology.

## **628 Principles for determining zones**

- (1) Pipeline service points for forward haul services must be allocated to pipeline zones.
- (2) In determining the allocation of pipeline service points to pipeline zones, AEMO may have regard to any matter relevant to that determination including:
  - (a) the impact of the proposed allocation on trade in products offered through the gas trading exchange or the capacity auction including the impact on demand or liquidity;
  - (b) possible curtailment of capacity released for transfer from one pipeline service point in the zone when nominated for use at another pipeline service point in the zone, whether over time or at particular times or in particular conditions; and
  - (c) technical or operational characteristics of the pipeline.
- (3) The allocation of pipeline service points to pipeline zones must comply with the following principles:
  - (a) pipeline service points used for receipt of gas must be allocated to pipeline receipt zones;
  - (b) pipeline service points used for delivery of gas must be allocated to pipeline delivery zones;
  - (c) a pipeline service point cannot be in more than one pipeline delivery zone or pipeline receipt zone (but if the point is used both for delivery and receipt, may be in both a pipeline delivery zone and a pipeline receipt zone); and
  - (d) a pipeline service point can be in both a pipeline delivery zone and a pipeline receipt zone where the pipeline is bidirectional.

- (4) Compression service points must be allocated to compression zones.
- (5) In determining the allocation of compression service points to compression zones, AEMO may have regard to any matter relevant to that determination including:
  - (a) the impact of the proposed allocation on trade in products offered through the gas trading exchange or the capacity auction including the impact on demand or liquidity;
  - (b) possible curtailment of capacity released for transfer from one compression service point in the zone when nominated for use at another compression service point in the zone, whether over time or at particular times or in particular conditions; and
  - (c) technical or operational characteristics of the compression service facility.
- (6) The allocation of compression service points to compression zones must comply with the following principles:
  - (a) compression service points used for receipt of gas must be allocated to compression receipt zones;
  - (b) compression service points used for delivery of gas must be allocated to compression delivery zones; and
  - (c) a compression service point cannot be in more than one compression receipt zone or compression delivery zone (but if the point is used both for delivery and receipt, may be in both a compression receipt zone and a compression delivery zone).
- (7) A zone may consist of only one service point.
- (8) In assessing the ability for transportation capacity to be transferred between service points within a zone, AEMO may assume the relevant transportation service provider operates the service points in accordance with the transportation service provider's usual operating practices and that those practices are not required to be adjusted by reason only that the service point is allocated to a zone with other service points.

## **629      Transportation service point register and information about curtailment of capacity in a zone**

- (1) The service points, pipeline segments and zones must be specified in a register maintained by AEMO under the Capacity Transfer and Auction Procedures (the transportation service point register).
- (2) The Capacity Transfer and Auction Procedures must provide for:
  - (a) a facility operator for a Part 24 facility to provide to AEMO in accordance with the Capacity Transfer and Auction Procedures; and

- (b) AEMO to publish on the Natural Gas Services Bulletin Board,

information relating to the curtailment of transportation capacity released for transfer from one service point in a zone when nominated for use at another service point in the zone.

## **630 Interface with the STTM and the DWGM**

- (1) The transportation service point register must specify for each pipeline service point and zone if it is:
  - (a) a service point or zone at which the receipt or delivery of gas is subject to the declared wholesale gas market under Part 19 (a **DWGM interface point**); or
  - (b) a service point or zone at which the receipt or delivery of gas is subject to the short term trading market under Part 20 (an **STTM interface point**).
- (2) The Capacity Transfer and Auction Procedures must provide for the arrangements under which, for the purposes of Part 19, a sale of transportation capacity through the capacity auction or the gas trading exchange at a DWGM interface point will be, or will be taken to have been, notified to AEMO and where necessary, confirmed, approved or accepted by AEMO or any other person.
- (3) The Capacity Transfer and Auction Procedures must provide for the arrangements under which, for the purposes of Part 20, a sale through the gas trading exchange of transportation capacity at an STTM interface point will be notified, or will be taken to have been notified, to AEMO and where necessary, confirmed, approved or accepted by AEMO or any other person.

### **Note:**

Capacity at an STTM interface point purchased in the capacity auction will not result in a change to registered facility services or trading rights. The buyer may submit an MSV in relation to its use of the capacity.

## **Division 5 Obligations of transportation service providers relating to standard OTSAs**

### **Subdivision 5.1 Standard OTSAs and standardisation costs**

## **631 Obligation to prepare and publish standard OTSAs**

- (1) A transportation service provider for a Part 24 facility must prepare and publish a standard OTSA for the Part 24 facility in accordance with the *NGL* and must do so no later than the date falling 40 business days after the application date for the Part 24 facility.

- (2) Where a transportation service provider becomes aware that a standard OTSA required to be published by it does not comply with the requirements of the rules or the Code, the transportation service provider must prepare and publish a revised standard OTSA that does comply as soon as practicable after the transportation service provider becomes aware of the non-compliance.
- (3) A transportation service provider for a Part 24 facility must notify the AER without delay upon publication of a standard OTSA or an amended standard OTSA for the Part 24 facility.

## **632 Content of standard OTSAs**

- (1) A standard OTSA for a Part 24 facility must:
  - (a) incorporate the standard terms in the Code with no alterations, other than permitted alterations or required alterations;
  - (b) incorporate facility specific terms applicable to the Part 24 facility made in accordance with subrule (2); and
  - (c) not incorporate any other terms or conditions except as permitted or required by the rules or the Code.
- (2) A transportation service provider for a Part 24 facility must ensure that the facility specific terms for the Part 24 facility:
  - (a) are consistent with the rules;
  - (b) give effect to the description of, and requirements for, facility specific terms in the Code;
  - (c) give effect to the auction service priority principles; and
  - (d) do not make alterations to the standard terms except to the extent:
    - (i) permitted by the rules or the Code; or
    - (ii) required to ensure the transportation service provider does not breach any Australian statutory obligation binding upon the transportation service provider.
- (3) A transportation service provider for a Part 24 facility must ensure that any charge specified by or determined in accordance with facility specific terms for the recovery of standardisation costs is separately identified and not included as an unidentifiable component of another charge.
- (4) A standard OTSA published under this Part must include the date of publication, the date to which the standard OTSA is current and, if the standard OTSA replaces an earlier version, notice of that fact.



### 633 Amendments to standard OTSAs

- (1) A transportation service provider may amend a standard OTSA for its Part 24 facility, subject to rule 632.
- (2) A transportation service provider must amend a standard OTSA for its Part 24 facility to make a required amendment by the date specified for that required amendment or as otherwise required by the rules.
- (3) If a transportation service provider amends a standard OTSA for a Part 24 facility, it must as soon as practicable publish the new standard OTSA.
- (4) When a transportation service provider publishes a new version of a standard OTSA, it must:
  - (a) at the same time publish a version showing the amendments made to the old version; and
  - (b) continue to publish the old version until the new version is replaced.
- (5) If a transportation service provider amends a standard OTSA for a Part 24 facility, to the extent that any amendment is not automatically incorporated in the terms and conditions for the provision and use of a standard operational transportation service provided under an agreement entered into before the amendment is made, the transportation service provider must on request by the other party to the agreement, offer to amend the agreement to incorporate the amendment.

### 634 Recovery of standardisation costs

- (1) The **standardisation costs** of a transportation service provider are the reasonable costs the transportation service provider incurs in establishing and maintaining the following arrangements:
  - (a) standard OTSAs for Part 24 facilities;
  - (b) operational transportation service agreements in the form of a standard OTSA for conditionally exempt facilities; and
  - (c) systems and processes to comply with obligations under this Part, Part 25, the Capacity Transfer and Auction Procedures and where applicable the conditions of an exemption,

to the extent that those costs are either incremental costs incurred exclusively in establishing and maintaining those arrangements or a proportionate share of any incremental costs reasonably attributable to establishing and maintaining those arrangements.

- (2) Subject to subrule (3), a transportation service provider should have a reasonable opportunity to recover its standardisation costs from transportation facility users.

- (3) A transportation service provider must:
  - (a) not seek to recover standardisation costs from transportation facility users more than once;
  - (b) treat amounts paid to a transportation service provider or a facility operator for any of the transportation service provider's Part 24 facilities on account of the proceeds of the capacity auction as a contribution to the recovery of standardisation costs by transportation facility users, up to the amount of those costs; and
  - (c) in setting charges to recover standardisation costs from transportation facility users, set charges that:
    - (i) insofar as practicable, reflect the outcomes of a workably competitive market;
    - (ii) allocate the standardisation costs among transportation facility users in a reasonable manner (whether under operational transportation service agreements or otherwise); and
    - (iii) recover the standardisation costs over time in a manner that promotes efficient trade in, and utilisation of, transportation capacity.
- (4) A transportation service provider required to publish a standard OTSA must also publish, at the same time it is required to publish the standard OTSA, and keep up to date:
  - (a) a schedule of the charges under which standardisation costs are sought to be recovered, including charges under standard OTSAs and other agreements; and
  - (b) information in reasonable detail to explain how the standardisation costs were incurred, how proceeds of the capacity auction have been taken into account and how the charges in the schedule of charges have been calculated.
- (5) A transportation service provider must make a record of its standardisation costs and how they were incurred, and the charges imposed by or on behalf of the transportation service provider to recover the standardisation costs from transportation facility users, and must maintain that record for a period of 5 years after the costs were incurred.

## **635 AER review of standard OTSAs**

- (1) The AER may at any time, at the request of a transportation facility user or prospective secondary shipper or on its own initiative, review a standard OTSA or an agreement prepared in accordance with the exemption condition provided for in rule 611(6) (including charges under the agreement).

- (2) Where a request for a review under subrule (1) is made, the AER must undertake an initial assessment of the request as soon as practicable and must within 20 business days notify the person making the request whether the AER:
  - (a) proposes to conduct a review; or
  - (b) does not propose to conduct a review, together with brief reasons.
- (3) If the AER is not satisfied that an agreement the subject of a review under subrule (1) complies with the rules or the Code or where applicable, the conditions of an exemption, the AER may give a notice to the transportation service provider requiring the transportation service provider to prepare a new standard OTSA for the Part 24 facility or a new agreement for the conditionally exempt facility (as applicable) that does so comply and submit it to the AER for approval within the time specified by the AER in the notice, which must not be less than 20 business days.
- (4) A transportation service provider given a notice under subrule (3) must comply with the notice.
- (5) The AER must only approve a new agreement submitted to it following a notice under subrule (3) if the AER is satisfied that the agreement complies with the rules and the Code and, where applicable, the conditions of the exemption.
- (6) If the AER approves a new standard OTSA for a Part 24 facility submitted to it following a notice under subrule (3), the transportation service provider must within 1 business day publish the agreement as a new version of its standard OTSA for the Part 24 facility.
- (7) Nothing in this rule:
  - (a) limits the powers of the AER under the *NGL* or the rules; or
  - (b) affects the validity or enforceability of an agreement.

## **Subdivision 5.2 Entering into standard OTSAs**

### **636 Requests for standard OTSAs**

- (1) A transportation service provider for a Part 24 facility must publish the information referred to in subrule (2) for the Part 24 facility at the same time it is required to publish the standard OTSA for the Part 24 facility under rule 631 and must keep the information up to date.
- (2) The information referred to in subrule (1) comprises:
  - (a) the contact details for a representative of the transportation service provider to whom a request for the standard OTSA can be sent;

- (b) subject to subrule (3), the information to be included with a request for the standard OTSA; and
  - (c) the identity of the facility operator for the Part 24 facility.
- (3) The information to be included with a request for a standard OTSA must be no more than is reasonably required to enable the transportation service provider to:
  - (a) identify the prospective secondary shipper making the request;
  - (b) assess whether the person making the request is eligible under subrule (5); and
  - (c) make an offer to enter into the standard OTSA.
- (4) If the information included with a request for a standard OTSA is incomplete, the transportation service provider must within 5 business days inform the prospective secondary shipper, specifying the information required to be provided to complete the request.
- (5) To be eligible to be offered a standard OTSA, a prospective secondary shipper must:
  - (a) be resident in Australia or have a permanent establishment in Australia;
  - (b) be incorporated or constituted under the Corporations Act or, if not, satisfy the transportation service provider (acting reasonably) that:
    - (i) it is duly incorporated; and
    - (ii) it has the legal capacity to enter into and perform the standard OTSA;
  - (c) not be an externally-administered body corporate (as defined in the Corporations Act) or under a similar form of administration under the laws of some other jurisdiction;
  - (d) be capable of being sued in its own name in courts established under the laws of Australia; and
  - (e) not enjoy any immunity from legal proceedings or legal process (including, but without limitation, any immunity from execution).

## **637 Offers for standard OTSAs**

- (1) Subject to subrules (2) and (4), the transportation service provider for a Part 24 facility in receipt of a request for the standard OTSA for the Part 24 facility from a prospective secondary shipper who is eligible to be offered the standard OTSA must prepare and make an offer that complies with subrule (3) to enter into the agreement within the longer of:

- (a) 20 business days after receiving the request or, if applicable, the information requested pursuant to rule 636(4); or
  - (b) any period agreed by the prospective secondary shipper and the transportation service provider.
- (2) If a request for a standard OTSA under subrule (1) is made:
  - (a) before the date on which the transportation service provider is required to publish the relevant standard OTSA under rule 631, the offer must be made as soon as practicable after the standard OTSA is first published and in any event within 20 business days of that date; or
  - (b) under an exemption condition provided for in rule 611(6), the offer must be made within the time provided for in that exemption condition.
- (3) An offer under subrule (1) to enter into a standard OTSA must be in a form capable of acceptance by the prospective secondary shipper so as to constitute a new agreement in the form of the standard OTSA.
- (4) For the purposes of section 228C(2)(c) of the *NGL*, a transportation service provider may decline to make an offer to enter into a standard OTSA under subrule (1) in relation to a Part 24 facility:
  - (a) where the request is made by a person who is not eligible under rule 636(5);
  - (b) where the request has been withdrawn;
  - (c) where:
    - (i) the transportation service provider and the prospective secondary shipper are or were parties to a facility agreement;
    - (ii) the transportation service provider has suspended or terminated the rights of the prospective secondary shipper under that agreement due to the prospective secondary shipper's failure to comply with the terms of that agreement; and
    - (iii) the matter that gave rise to the termination or suspension has not been rectified or otherwise been resolved to the satisfaction of the transportation service provider, acting reasonably; or
  - (d) where:
    - (i) the transportation service provider and the prospective secondary shipper are or were parties to a facility agreement;
    - (ii) the liability of the prospective secondary shipper to the transportation service provider that is subject to a liability cap has reached or exceeded the liability cap; and

- (iii) the prospective secondary shipper has failed to discharge its liability up to that cap.
- (5) If a transportation service provider declines to make an offer on a ground set out in subrule (4), it must notify the prospective secondary shipper within 10 business days of receipt of the request to which it relates.
- (6) If a transportation service provider declines to make an offer on a ground set out in paragraph (c) or (d) of subrule (4), the prospective secondary shipper may refer the matter to the AER who may reverse the transportation service provider's decision if the AER determines it was not made in accordance with the relevant paragraph.
- (7) Before making a determination under subrule (6), the AER must consult with the transportation service provider.
- (8) If the transportation service provider's decision is reversed by the AER, the transportation service provider may not rely on paragraph (c) or (d) of subrule (4) (as applicable) as the basis for declining to make an offer in response to the request made by the prospective secondary shipper.

## **Division 6            Other transportation service provider obligations**

### **638            Giving effect to operational transfers**

- (1) A transportation service provider for a Part 24 facility must give effect to an operational transfer of transportation capacity in relation to the Part 24 facility notified by AEMO under the Capacity Transfer and Auction Procedures to the facility operator for the Part 24 facility after the CTP application date for the Part 24 facility, except to the extent it is not required to do so in accordance with and subject to:
  - (a) the Capacity Transfer and Auction Procedures; or
  - (b) the terms and conditions of a facility agreement to which the notification relates, subject to rule 639.
- (2) Subject to rule 639, subrule (1) does not require a transportation service provider to give effect to an operational transfer of transportation capacity referred to in that subrule where the primary facility agreement from which that transportation capacity is first derived has been terminated.
- (3) A transportation service provider for a Part 24 facility or a conditionally exempt facility must give effect to an operational transfer of transportation capacity in relation to the transportation facility notified by the parties to the transaction except to the extent it is not required to do so in accordance with, and subject to, the terms and conditions of a facility agreement to which the notification relates.

- (4) For the purposes of this rule, the **CTP application date** for a Part 24 facility is the date falling 120 business days after the application date for the Part 24 facility.

### **639 Service continuity for primary service termination or suspension**

- (1) Subrule (2) applies to a transportation service provider for a Part 24 facility in relation to traded capacity in respect of the Part 24 facility, where the primary facility agreement from which the traded capacity is first derived has been terminated.
- (2) Where this subrule applies, a transportation service provider for a Part 24 facility must, in relation to traded capacity in respect of the Part 24 facility:
  - (a) give effect to each operational transfer of the traded capacity notified to the facility operator by AEMO under the Capacity Transfer and Auction Procedures during the service continuity period for the traded capacity, unless the seller or buyer of the traded capacity for the operational transfer has specified (or purported to specify) the terminated primary facility agreement as the agreement from or to which the traded capacity is to be transferred; and
  - (b) during the service continuity period for the traded capacity, provide transportation services in respect of the traded capacity, unless the transportation facility user nominating for use of the traded capacity is a terminated seller in relation to the traded capacity.
- (3) The Capacity Transfer and Auction Procedures must provide for AEMO to:
  - (a) determine in accordance with the methodology made by AEMO under subrule (7) an amount for the provision of transportation services in accordance with subrule (2) during the period provided for in that subrule; and
  - (b) in its capacity as Operator under Part 22, pay that amount in accordance with the Capacity Transfer and Auction Procedures to the facility operator for the Part 24 facility.
- (4) Subrule (5) applies to a transportation service provider for a Part 24 facility in relation to traded capacity in respect of the Part 24 facility, where the primary facility agreement from which the traded capacity is first derived has been suspended.
- (5) Where this subrule applies, a transportation service provider for a Part 24 facility must, in relation to traded capacity in respect of the Part 24 facility:
  - (a) give effect to each operational transfer of the traded capacity notified to the facility operator by AEMO under the Capacity Transfer and Auction Procedures, unless the seller of the traded capacity for the operational

transfer has specified the suspended primary facility agreement as the agreement from which the traded capacity is to be transferred; and

- (b) provide transportation services in respect of the traded capacity, unless the transportation facility user nominating for use of the traded capacity is nominating (or purporting to nominate) under the suspended primary facility agreement or another agreement under which the provision of transportation services by means of traded capacity has been suspended.
- (6) Notwithstanding anything in this rule, this rule does not prevent a transportation service provider exercising its rights in respect of a breach of an operational transportation service agreement, including rights to suspend or refuse service.
- (7) AEMO must specify in the Capacity Transfer and Auction Procedures a methodology for determining the amounts payable in accordance with subrule (3) for each gas day in the service continuity period for traded capacity, which must be:
- (a) determined by reference to the price or prices at which the terminated seller sold the traded capacity through the gas trading exchange; and
  - (b) payable in respect of the quantity of traded capacity for which the transportation service provider is required to continue to provide the transportation service under subrule (2).

## **640 Amendment of facility agreements**

- (1) A transportation service provider for a Part 24 facility or a conditionally exempt facility must, within 30 business days of a request made by a party to a facility agreement for transportation services provided by means of the transportation facility, give the person making the request and each other party to the agreement an amending agreement that complies with subrule (2).
- (2) An amending agreement must:
  - (a) make amendments to the facility agreement to permit a transportation facility user who is party to the agreement to sell transportation capacity the subject of the facility agreement for use under an operational transportation service agreement; and
  - (b) give effect to the principles in rule 642.
- (3) If a transportation service provider receives a request in accordance with subrule (1), the parties to the facility agreement must negotiate in good faith for the purposes of agreeing the terms of the amending agreement.
- (4) Once the terms of the amending agreement have been agreed the parties to the facility agreement must execute the amending agreement as soon as is reasonably practicable.



- (5) If there is a relevant dispute:
  - (a) the relevant dispute must be resolved in accordance with the relevant contractual provisions for dispute resolution, insofar as those provisions apply to the relevant dispute of their own force and effect; and
  - (b) if the relevant contractual provisions for dispute resolution do not apply to the relevant dispute, each party to the relevant facility agreement is taken to have agreed (as a term of the relevant facility agreement) to refer the relevant dispute for determination by an expert under the expert determination rules.
- (6) For the purposes of this rule:
  - (a) **expert determination rules** means the expert determination rules of the Resolution Institute ABN 69 008 651 232 (or its successor body) in the form those expert determination rules take at the time the relevant dispute is referred for determination;
  - (b) **relevant dispute** means a disagreement or dispute between the parties to a relevant facility agreement under or in connection with this rule, including a disagreement or dispute about the terms of an amending agreement the subject of negotiations under this rule, whether or not a party to negotiations under subrule (4) has negotiated in good faith;
  - (c) **relevant contractual provisions for dispute resolution** means provisions for dispute resolution contained in a relevant facility agreement; and
  - (d) **relevant facility agreement** means, in relation to an amending agreement, the facility agreement the subject of a request under subrule (1).

## **641 New facility agreements**

- (1) A facility agreement entered into after the Part 24 commencement date for transportation services provided by means of a Part 24 facility or a conditionally exempt facility must include provisions that permit a transportation facility user who is party to the agreement to sell transportation capacity the subject of the facility agreement for use under an operational transportation service agreement.
- (2) The provisions in a facility agreement referred to in subrule (1) must give effect to the principles in rule 642.

## **642 Principles for terms to facilitate sale by operational transfer**

- (1) Provisions in a facility agreement that permit a transportation facility user to sell transportation capacity the subject of the facility agreement for use under an operational transportation service agreement must give effect to the principles in subrule (2).
- (2) The principles referred to in subrule (1) are:

- (a) the provisions must permit the sale of transportation capacity by means of an operational transfer;
  - (b) the provisions must permit two or more transportation services provided as a single transportation service under the facility agreement to be sold as separate transportation services if:
    - (i) each separate transportation service is available as a separate transportation service to transportation facility users for that transportation facility; and
    - (ii) it is operationally and technically feasible to provide each such transportation service as a separate transportation service in a manner consistent with the safe and reliable operation of the transportation facility;
  - (c) the provisions must permit the sale to take place through the gas trading exchange or through negotiations between the transportation facility user and the person buying the transportation capacity;
  - (d) the provisions must permit a sale that takes place through negotiation to include a transfer of hourly entitlements, imbalance entitlements and other contractual entitlements to use the transportation capacity or use it in a given way, to the extent that transfer can occur in a manner consistent with the operational and technical requirements necessary for the safe and reliable operation of the transportation facility;
  - (e) any provisions regulating the transportation service provider's obligation to give effect to the operational transfer must be reasonable having regard to:
    - (i) the operational and technical requirements necessary for the safe and reliable operation of the transportation facility; and
    - (ii) the need to ensure an operational transfer is effected in a workable manner and consistently with the other provisions of the facility agreement;
  - (f) the transportation facility user must not be made liable for:
    - (i) any use by another person of the transportation capacity the subject of the operational transfer; or
    - (ii) any act or omission of another person which relates to the transportation capacity the subject of the operational transfer; and
  - (g) no indemnity or equivalent provision (as assessed by reference to the substantive effect of the provision) may be sought from a transportation facility user on account of any sale by the transportation facility user of transportation capacity by means of an operational transfer.
- (3) Notwithstanding anything to the contrary in subrule (2):

- (a) in the case of a transaction for the sale or purchase of transportation capacity concluded through the gas trading exchange and subject to rule 639, the transportation service provider may decline to give effect to the operational transfer in relation to the transportation facility user in the circumstances permitted by the Capacity Transfer and Auction Procedures;
  - (b) provisions in a facility agreement may suspend the obligation of the transportation service provider to give effect to an operational transfer during any period in which the transportation facility user is:
    - (i) in breach of the facility agreement; or
    - (ii) an externally-administered body corporate (as defined in the Corporations Act) or under a similar form of administration under the laws of some other jurisdiction;
  - (c) a primary shipper may be required to continue to pay any fixed charges related to reservation of transportation capacity under its primary facility agreement and irrespective of the fact that some of that transportation capacity has been the subject of an operational transfer;
  - (d) there is no requirement that a primary shipper be entitled to reduce the quantum of credit support it provides under its primary facility agreement for the period of an operational transfer; and
  - (e) to the extent a primary shipper is required under its primary facility agreement to pay a variable charge based on the quantity of a transportation service it uses on a day, then subject to subrule (4), in respect of any transportation capacity sold by means of an operational transfer, the primary shipper may be required to pay the transportation service provider the variable charge which would have been payable had the primary shipper used the entire amount of that transportation capacity on each day of the operational transfer.
- (4) Subrule (3)(e) does not permit a transportation service provider to recoup the same charge from a primary shipper and another person.
- (5) This rule prevails over anything inconsistent with this rule in rule 105, to the extent of the inconsistency.

## **643 Use of additional pipeline service points**

- (1) A transportation facility user is taken to have a right under a facility agreement for transportation services provided by means of a Part 24 facility or a conditionally exempt facility and to which it is a party to request, from time to time, the use of an additional pipeline service point in accordance with and subject to this rule.
- (2) This rule applies in addition to any other rights under an agreement to request use of an additional pipeline service point, which other right will be treated as a

separate contractual entitlement (which the transportation facility user may at its option exercise) to request use of an additional pipeline service point.

- (3) A transportation facility user may from time to time by notice to the transportation service provider under the facility agreement request use of an additional pipeline service point and request that transportation capacity it has reserved at another pipeline service point be transferred to the additional pipeline service point.
- (4) A transportation service provider in receipt of a request under subrule (3) must notify the transportation facility user as soon as practicable if it requires any additional information to process the request and the transportation facility user must, as soon as practicable, provide the additional information to the transportation service provider.
- (5) A transportation service provider in receipt of a request under subrule (3) must not unreasonably withhold or delay consent to the request or give consent on unreasonable conditions, having regard to:
  - (a) the operational and technical requirements necessary for the safe and reliable operation of the pipeline;
  - (b) whether giving consent reduces the revenue received by the transportation service provider from the transportation facility user or any other person; and
  - (c) the time required to give effect to the requested change.
- (6) A transportation service provider may make its consent conditional on obtaining the consent of a third party but only:
  - (a) where the transportation service provider would be in breach of contract if it gave effect to the request without the consent of the third party; and
  - (b) if the third party is another transportation facility user or an associate of another transportation facility user, the requirement to obtain that person's consent arises under a contractual provision that came into force before 19 March 2018.
- (7) If consent is conditional on the transportation service provider obtaining the consent of a third party as contemplated by subrule (6), the transportation service provider must use reasonable endeavours to obtain that consent. This subrule does not require the transportation service provider to pay an amount to the third party or otherwise waive or compromise any entitlement of the transportation service provider.
- (8) For the purposes of this rule, conditions which the transportation service provider may impose as a condition of giving consent to the request include:
  - (a) a condition relating to the temperature, pressure and hourly and daily constraint requirements at the delivery point or receipt point;

- (b) a condition giving priority to any transportation facility user who has transportation capacity reserved at the pipeline service point but only where the transportation service provider would be in breach of its contractual arrangements with the transportation facility user if it did not impose such conditions;
  - (c) a condition that the transportation facility user pay an additional charge reflecting any additional tariff or other charge applicable to the transportation of natural gas to that point (provided that charge is reflective of the charges applicable to the transportation facility);
  - (d) where the transportation service provider is required to provide a rebate to other transportation facility users on account of new transportation facility users using the pipeline service point, a condition that the transportation facility user pay an amount to the transportation service provider equal to the amount of the rebate payable on account of the transportation facility user's use of the pipeline service point;
  - (e) a condition that the transportation facility user reimburse the transportation service provider its reasonable costs of giving effect to the requested change; and
  - (f) a condition that the transportation facility user become a party to the allocation arrangements applicable at the pipeline service point.
- (9) The transportation service provider must provide information reasonably required by the transportation facility user to understand the additional charges that will be payable by the transportation facility user for use of the additional pipeline service point and must provide any other information in respect of the implications of use of the additional pipeline service point reasonably requested by the transportation facility user.
- (10) Within 5 business days of receipt of a request from the transportation facility user and provision to the transportation service provider of any information requested by the transportation service provider under subrule (4), the transportation service provider must notify the transportation facility user that it:
- (a) accepts the request and, if so, any conditions of the acceptance and the reasons for those conditions; or
  - (b) does not accept the request and the reasons why the request is not accepted; or
  - (c) on a reasonable basis, needs additional time to consider the request and undertake the necessary modelling, in which case:
    - (i) the transportation service provider must give reasons why the additional time is needed and must state the costs of undertaking the modelling, which must be reasonable; and
    - (ii) the additional time must not exceed 20 business days.

- (11) If the transportation service provider notifies the transportation facility user under subrule (10) that it needs additional time to consider a request the transportation facility user may:
  - (a) withdraw the request; or
  - (b) instruct the transportation service provider to proceed to consider the request further and undertake any necessary modelling, in which case the transportation facility user must (in accordance with the transportation service provider's reasonable requirements) reimburse the transportation service provider the reasonable costs of that modelling as notified to the transportation facility user under subrule (10)(c).
- (12) If the transportation service provider is instructed to consider the request further it must do so and within 20 business days from that instruction the transportation service provider must notify the transportation facility user that it:
  - (a) accepts the request and, if so, it must notify the transportation facility user of any conditions of the acceptance and the reasons for those conditions; or
  - (b) does not accept the request and, if so, it must notify the transportation facility user of the reasons why the request is not accepted.
- (13) A transportation facility user in receipt of a notice under subrule (12) may withdraw its request.
- (14) Nothing in this rule requires a transportation service provider to make capital improvements at a pipeline service point.
- (15) This rule prevails over anything inconsistent with this rule in rule 106, to the extent of the inconsistency.

#### **644 Obligations of transportation service providers in relation to auction facilities**

- (1) This rule applies to a transportation service provider for an auction facility where the transportation service provider is not also the facility operator for the auction facility.
- (2) A transportation service provider to whom this rule applies must comply with rule 650(2) and rule 650(3) in relation to the auction facility as if it were the facility operator for the auction facility.
- (3) A transportation service provider to whom this rule applies must comply with rule 655(3) in relation to the auction facility as if it were the facility operator for the auction facility.

## Part 25 Capacity Auction

### Division 1 Preliminary

#### 645 Objective

The objective of the capacity auction established under this Part is to improve the efficiency with which transportation capacity is allocated and foster the development of a more liquid secondary market for transportation capacity.

#### 646 This Part

- (1) This Part is arranged as follows:
  - (a) Division 1 deals with preliminary matters;
  - (b) Division 2 provides for the establishment and operation of the capacity auction and participation in the capacity auction;
  - (c) Division 3 sets out the market conduct and nomination rules and obligations in relation to nominations and renominations; and
  - (d) Division 4 provides for settlement of amounts payable to facility operators in connection with the capacity auction.
- (2) This Part does not apply in Western Australia until the day an order made under section 7A of the National Gas Access (WA) Act 2009 of Western Australia in relation to the National Gas (South Australia) (Capacity Trading and Auctions) Amendment Act 2018 of South Australia is published in the Western Australian Government Gazette or, if a later day is specified in the order, on that day.

#### 647 Definitions and interpretation

- (1) Unless otherwise defined in this Part, Part 1 or the *NGL*, terms used in this Part have the meaning given in Part 24.

- (2) In this Part:

**auction agreement** means an agreement in the form of the auction agreement made by AEMO in accordance with this Part and set out in the Capacity Transfer and Auction Procedures.

**auction amount** means any amount payable by or to AEMO under this Part or an auction agreement including auction fees.

**auction application date** has the meaning given in rule 654(1).

**auction capacity** means, for a gas day and auction product, the quantity of the auction product available to be allocated in the capacity auction for the gas day, determined by reference to the auction quantity limits for the gas day.

**auction facility** means a transportation facility other than an exempt transportation facility.

**Note:**

Exempt transportation facility is defined in Part 24.

**auction fees** is defined in rule 659(1).

**auction MDQ** means, for an auction product and a gas day, a quantity of auction product allocated in the capacity auction for the gas day.

**auction participant** means a party to an auction agreement other than AEMO.

**auction product** means transportation capacity for the use of an auction service provided by means of an auction facility and in respect of which a bid may be submitted in the capacity auction.

**auction quantity limit** means for an auction service, auction facility and gas day, each auction quantity limit determined in accordance with the Capacity Transfer and Auction Procedures and provided to AEMO in accordance with rule 653(1).

**auction service** means each of the transportation services listed in rule 650(1), which for the purposes of this Part, the Capacity Transfer and Auction Procedures and the auction agreement is in each case taken to be provided in respect of an auction facility on the terms and conditions of the standard OTSA for the auction facility.

**auction service point** means, as applicable to the auction service, a backhaul service point, a pipeline service point when used for a forward haul service or a compression service point.

**auction service priority principles** means the principles in rule 651.

**backhaul auction quantity** has the meaning given in rule 653(9).

**backhaul auction service** has the meaning given in rule 650(1).

**backhaul delivery point** means a pipeline service point when it is used for delivery of natural gas for a backhaul service.

**backhaul receipt point** means a pipeline service point when it is used for receipt of natural gas for a backhaul service.

**backhaul service point** means a backhaul receipt point or a backhaul delivery point.

**bidirectional pipeline** means a pipeline classified as a bidirectional pipeline in accordance with rule 648.



**billing period** means a month.

**capacity auction** means the capacity auction established and operated by AEMO in accordance with this Part.

**compression auction service** has the meaning given in rule 650(1).

**compression delivery point** means a compression service point used for delivery of compressed natural gas.

**compression facility limit** has the meaning given in rule 653(6).

**compression point unused capacity** has the meaning given in rule 653(6).

**compression receipt point** means a compression service point used for receipt of natural gas for compression.

**compression zone limit** has the meaning given in rule 653(6).

**contracted capacity** means for a:

- (a) compression service facility for a gas day, the transportation capacity on the compression service facility reserved for use for that gas day by firm compression services;
- (b) compression service point for a gas day, the transportation capacity at the compression service point reserved for use for that gas day by firm compression services;
- (c) pipeline service point for a gas day, the transportation capacity at the pipeline service point reserved for use for that gas day by:
  - (i) firm forward haul services; and
  - (ii) where firm backhaul services are provided in respect of the pipeline service point, firm backhaul services;

**Note:**

A pipeline service point may be a receipt point for both a firm forward haul and a firm backhaul service. Under paragraph (c), where that occurs, the contracted capacity takes into account the quantity reserved for each service.

- (d) forward haul pipeline segment for a gas day, the transportation capacity in the forward haul pipeline segment reserved for use for that gas day by firm forward haul services or firm backhaul services; and

**Note:**

A forward haul pipeline segment may be used for both forward haul and backhaul flow in the same direction. Under paragraph (d), where that occurs, the contracted capacity takes into account the quantity reserved for each service.

- (e) backhaul pipeline segment for a gas day, the transportation capacity in the backhaul pipeline segment reserved for use for that gas day by firm backhaul services.

**default interest rate** has the meaning in rule 3.

**exchange agreement** means the exchange agreement made for the gas trading exchange under Part 22.

**facility operator** means, for an auction facility, the transportation service provider registered under Part 24 as the facility operator for the auction facility.

**final statement payment date** has the meaning given in rule 668(3).

**firm** means, in relation to a transportation service and a gas day, that:

- (a) transportation capacity for use of the transportation service on the gas day is reserved capacity; and
- (b) in normal operating conditions and even if the relevant transportation facility is fully contracted for the gas day on a firm basis, to the extent consistent with accepted good industry practice:
  - (i) nominations made by another transportation facility user do not affect the quantity of reserved capacity or the scheduling of a nomination for use of the reserved capacity; and
  - (ii) a nomination made before the nomination cut-off time for use of the transportation service on the gas day up to the quantity of reserved capacity will be scheduled for the quantity nominated,

and the terms “firm forward haul service”, “firm backhaul service”, “firm compression service” and “firm park service” refer to a forward haul service, backhaul service, compression service and park service respectively that is firm as provided for in this definition.

Auction services sold in the capacity auction are not firm within the meaning of this definition.

**Note:**

For classification of services, refer to rule 648.

**forward haul auction service** has the meaning given in rule 650(1).

**forward haul pipeline segment limit** has the meaning given in rule 653(4).

**lower tier service** means any transportation service other than an auction service:

- (a) where even in normal operating conditions the transportation service provider has no obligation to accept a nomination for the service or has no obligation to schedule some or all of the capacity nominated; or

- (b) which even in normal operating conditions are only scheduled if transportation capacity remains after day-ahead nominations for reserved capacity by the holders of rights to that reserved capacity have been met,

and includes a transportation service provided in respect of any part of a nomination or renomination for use of a firm transportation service in excess of the applicable reserved capacity. Examples of lower tier services include transportation services described in the natural gas industry as “interruptible”, “as available” or “authorised overrun” (or services equivalent in nature to such services).

**Note:**

For classification of services, refer to rule 648.

**market conduct and nomination rules** means Subdivision 3.1 of Division 3.

**market generating unit** means a market generating unit under the *NER* or a facility for generating electricity that participates in a wholesale electricity market operating from time to time in the Northern Territory.

**maximum total payment** for a billing period means the maximum total payment under Division 4 for the billing period determined under the Capacity Transfer and Auction Procedures as provided for in rule 673.

**nomination and scheduling records** has the meaning given in rule 665(1).

**nominated service agreement** means, for an auction participant, the facility agreement setting out the terms and conditions for use of auction MDQ, as agreed by the auction participant with the relevant facility operator and nominated by the auction participant under the Capacity Transfer and Auction Procedures.

**operational capacity** has the meaning given in rule 647(3).

**physical capacity** means for a pipeline service point and a gas day, the lesser of the:

- (a) nameplate rating for the pipeline service point; and
- (b) operational capacity of the pipeline service point for the gas day.

**pipeline delivery point** means a pipeline service point when it is used for delivery of natural gas in connection with a pipeline service.

**pipeline receipt point** means a pipeline service point when it is used for receipt of natural gas in connection with a pipeline service.

**pipeline zone forward haul limit** has the meaning given in rule 653(4).

**reserved** means, in relation to transportation capacity on a transportation facility or at a service point (as applicable):

- (a) a transportation facility user has a right to nominate for use on a gas day of the transportation capacity;
- (b) that right accrued to the transportation facility user before the nomination cut-off time for firm transportation services provided by means of the transportation facility for the gas day; and
- (c) the right relates to a specified quantity of transportation capacity (that quantity being the **reserved capacity**).

**scheduled net priority forward haul flow** means a measure of actual flow taking into account both firm forward haul and firm backhaul scheduled quantities.

**scheduled priority flow** means for a:

- (a) compression service facility for a gas day, the scheduled quantity for firm compression services provided by means of the compression service facility for the gas day;
- (b) compression service point for a gas day, the scheduled quantity at the point for firm compression services for the gas day;
- (c) forward haul pipeline segment for a gas day, the scheduled quantity:
  - (i) for firm forward haul services through the forward haul pipeline segment for the gas day; and
  - (ii) where firm backhaul services are provided in respect of the forward haul pipeline segment in the same direction of flow as forward haul services, for firm backhaul services through the forward haul pipeline segment for the gas day; and

**Note:**

A forward haul pipeline segment may be used for both forward haul and backhaul flow in the same direction. Under paragraph (c), where that occurs, the scheduled priority flow is the total of the scheduled quantity for each service.

- (d) pipeline service point for a gas day, the scheduled quantity at the point:
  - (i) for firm forward haul services for the gas day; and
  - (ii) where firm backhaul services are provided in respect of the pipeline service point, firm backhaul services for the gas day.

**Note:**

A pipeline service point may be a receipt point for both a firm forward haul and a firm backhaul service. Under paragraph (d), where that occurs, the scheduled priority flow is the total of the scheduled quantity for each service.

**scheduled quantity** means in relation to a gas day, transportation service and transportation facility, pipeline segment or service point (as applicable), the quantity of natural gas which a transportation service provider agrees to schedule

for the gas day, transportation service and transportation facility, pipeline segment or service point, as that quantity may be varied by the transportation service provider from time to time.

**settlement amount** has the meaning given in rule 667(2).

**settlement information** has the meaning given in rule 654(2).

**single direction pipeline** means a pipeline classified as a single direction pipeline in accordance with rule 648.

**unused capacity** has the meaning given in rule 653(4).

- (3) In this Part, the term **operational capacity** means, for a gas day:
- (a) for a pipeline, for each direction in which natural gas can be transported on the pipeline, the quantity of natural gas that can be transported through the pipeline on the gas day in that direction;
  - (b) for a forward haul pipeline segment, for each direction in which natural gas can be transported on the forward haul pipeline segment, the quantity of natural gas that can be transported through the forward haul pipeline segment on the gas day in that direction;
  - (c) for a pipeline receipt point, the quantity of natural gas that can be injected through, or otherwise received at, the pipeline receipt point on the gas day;
  - (d) for a pipeline delivery point, the quantity of natural gas that can be withdrawn through, or otherwise delivered at, the pipeline delivery point on the gas day;
  - (e) for a compression service facility, the quantity of natural gas that can be compressed by the compression service facility on the gas day;
  - (f) for a compression receipt point, the quantity of natural gas that can be injected through, or otherwise received at, the compression receipt point on the gas day; and
  - (g) for a compression delivery point, the quantity of natural gas that can be withdrawn through, or otherwise delivered at, the compression delivery point on the gas day.
- (4) References in this Part to a time of day are to Australian Eastern Standard Time (and are not adjusted for daylight saving time in any jurisdiction).

## **648 Pipeline and service classification**

- (1) For the purposes of this Part, each part of a pipeline is taken to have the same classification that it has under Part 24.

**Note:**

Refer to sections 18 and 19 of the *NGL*, rule 550 in Part 23 and rule 593(2) in Part 24.

- (2) For the purposes of this Part, a pipeline, or part of a pipeline, is classified as a bidirectional pipeline at any time, if:
  - (a) the direction of the physical flow of natural gas on the pipeline (or part) is capable of being reversed under normal operating conditions through the operation of plant or equipment forming part of, or connected to, the pipeline; and
  - (b) transportation facility users have transportation capacity for firm forward haul transportation services on the pipeline in both physical flow directions, with a term for provision of the service that includes that time.
- (3) For the purposes of this Part, a pipeline, or part of a pipeline, is classified as a single direction pipeline at any time if it is not classified as bidirectional at that time.
- (4) For the purposes of this Part, a facility operator for an auction facility must, for each transportation service provided by means of the auction facility (other than an auction service):
  - (a) classify the transportation service as a firm service or a lower tier service applying the definitions in rule 647;
  - (b) where, acting reasonably, there is doubt about the classification of the transportation service applying the definitions in rule 647, adopt a classification that is reasonable having regard to the definitions in rule 647 and reasonable commercial practice in the natural gas industry; and
  - (c) use the same classification for the purposes of determining auction quantity limits and the auction service priority principles.
- (5) If requested by the AER, a facility operator for an auction facility must provide to the AER information reasonably required by the AER to support the facility operator's classification of a transportation service under subrule (4).

**649 Information standard**

- (1) A transportation service provider or transportation facility user required by a provision of this Part to make a record or give information or data to AEMO or the AER, including information resulting from calculations, must make the record or prepare and submit that information or data and perform those calculations in accordance with the Part 24 information standard.
- (2) Where this Part requires a person to update information or data provided to the AER or AEMO, the person:

- (a) must do so each time facts or circumstances arise that require the information or data to be updated; and
  - (b) must provide the updated information or data as soon as practicable after the person becomes aware of the facts or circumstances that require the information or data to be updated and, in the case of information or data to be provided to AEMO, within any applicable period specified in the Capacity Transfer and Auction Procedures.
- (3) AEMO is not required to verify the accuracy of information provided to it for the purposes of performing its functions under this Part, except as expressly provided in this Part or the Capacity Transfer and Auction Procedures.

## **Division 2            Capacity auction**

### **Subdivision 2.1    Auction scope and design**

#### **650            Auction services**

- (1) Auction services must be specified in the Operational Transportation Service Code for the following transportation services, as applicable to the relevant auction facility:
  - (a) forward haul service (the **forward haul auction service**);
  - (b) backhaul service (the **backhaul auction service**); and
  - (c) compression service (the **compression auction service**).
- (2) The facility operator for an auction facility must ensure that terms and conditions for use of an auction service provided by means of the auction facility, and the scheduling process for the auction facility, give effect to the auction service priority principles in rule 651.
- (3) The facility operator for an auction facility must ensure that the scheduling process for the auction facility does not result in a lower tier service being scheduled earlier in time than an auction service such that the lower tier service ceases to be a lower tier service.

#### **651            Auction service priority principles**

- (1) Subject to subrule (2), the auction service priority principles are that:
  - (a) in scheduling and curtailment:
    - (i) firm forward haul services, firm backhaul services and firm compression services must be given priority over auction services; and

- (ii) auction services of a type must be given equal priority with other auction services of the same type;
  - (b) in scheduling, auction services must be given priority over lower tier services;
  - (c) if there is a renomination for use of a firm forward haul service, firm backhaul service or firm compression service, the scheduling of the renominated quantity, to the extent it does not result in the scheduled quantity exceeding the reserved capacity in relation to which the renomination is made, must be met:
    - (i) first, from auction capacity that was not allocated in the capacity auction for that gas day;
    - (ii) second, by curtailing lower tier services to the extent the services are scheduled to use auction capacity; and
    - (iii) third, by curtailing forward haul auction services, backhaul auction services or compression auction services, as applicable to the auction facility;
  - (d) if there is a renomination for use of an auction service, the scheduling of the renominated quantity, to the extent it does not result in the scheduled quantity exceeding the auction MDQ in relation to which the renomination is made, must be met:
    - (i) first, from auction capacity that was not allocated in the capacity auction for that gas day; and
    - (ii) second, by curtailing lower tier services to the extent the services are scheduled to use auction capacity; and
  - (e) if there is a capacity shortfall on a gas day, auction services must only be curtailed to meet any shortfall that remains after lower tier services have been curtailed to meet the capacity shortfall.
- (2) A facility operator is required to give effect to the principles in subrule (1) in respect of a gas day to the extent it is operationally and technically feasible to do so on that gas day in accordance with accepted good industry practice taking into account the operational circumstances (including operational constraints) impacting the auction facility on the gas day.
- (3) For the purposes of this rule:
- (a) a **capacity shortfall** occurs where the operational capacity of an auction facility is insufficient to meet all nominated or scheduled use of the auction facility (as applicable) including, in the case of backhaul services, by reason of a reduction in the quantity of natural gas being transported in the direction of actual physical flow of natural gas on the pipeline;



- (b) the operational capacity of an auction facility and whether there is a capacity shortfall must be determined by the facility operator in accordance with accepted good industry practice; and
- (c) a reference to a firm forward haul service or firm backhaul service includes a reference to a firm forward haul service or firm backhaul service supplied together with a firm park service as a single service, where that service is also taken into account in determining contracted capacity.

## **652 Capacity auction design principles**

- (1) The capacity auction established by AEMO in accordance with rule 656 must give effect to the principles in this rule.
- (2) The capacity auction must be conducted each day for transportation capacity to be used on the gas day starting on the following day.
- (3) The capacity auction must be held in respect of:
  - (a) each auction facility that is then subject to the capacity auction, as provided for in rule 654(1) but subject to rules 656(2) and (3);
  - (b) subject to paragraph (c), each auction service provided by an auction facility referred to in paragraph (a), in both directions for a bidirectional pipeline (or part), and for the auction service points applicable to the auction service; and
  - (c) for backhaul service points, only those backhaul auction services that AEMO determines should be included in the capacity auction from time to time.
- (4) The transportation capacity allocated in the capacity auction in respect of an auction service provided by means of an auction facility for a gas day:
  - (a) must not exceed any of the auction quantity limits applicable to the auction facility for that auction service and gas day; and
  - (b) in the case of a bidirectional pipeline, must not change the scheduled direction of flow on the pipeline for that gas day.
- (5) The capacity auction for each gas day must take place in one round with a reserve price of zero.
- (6) The capacity auction must be conducted on a sealed bid basis (that is, bids submitted by an auction participant must not be visible to other auction participants while the auction is being conducted).
- (7) In relation to bidding in the capacity auction, the Capacity Transfer and Auction Procedures must provide for:

- (a) each auction participant to specify in its bid the combination of auction products that its bid relates to;
  - (b) the submission of separate bids for different combinations of auction products; and
  - (c) each bid to comprise a single bid quantity (in GJ) and a single bid price (in \$/GJ and expressed to the number of decimal places provided for in the Capacity Transfer and Auction Procedures) for the combination of auction products specified in the bid.
- (8) In relation to the allocation of transportation capacity in the capacity auction, the Capacity Transfer and Auction Procedures must provide for:
  - (a) all winning bids to be determined simultaneously and for an auction participant to win none, one or more of its bids;
  - (b) the winning bids to be the combination of one or more bids that, subject to subrule (4):
    - (i) maximises the total capacity auction revenues at bid prices for the gas day; and
    - (ii) allocates to each winning auction participant the same quantity of transportation capacity for all auction products in the combination of auction products specified in its winning bid;
  - (c) the quantity of transportation capacity allocated to a particular winning bid to be any quantity between the bid quantity of the bid and zero;
  - (d) if there is more than one combination of winning bids, AEMO to employ a method of random selection to determine the winning allocation; and
  - (e) the lowest accepted bid for any particular auction product to be partially filled if necessary.
- (9) In relation to the determination of clearing prices, the Capacity Transfer and Auction Procedures must provide for:
  - (a) the capacity auction to operate on a pay as cleared basis with all winners of a particular auction product to pay the same clearing price per GJ for that auction product;
  - (b) any auction product for which transportation capacity remains partially unsold in the capacity auction for a gas day to have a clearing price of \$0 per GJ for that gas day;
  - (c) the clearing price per GJ for all auction products for a gas day to be determined jointly such that the lowest accepted bid sets the clearing price;
  - (d) the clearing price determined for each auction product to satisfy the following conditions:

- (i) for any winning bid that is allocated a quantity of transportation capacity equal to its bid quantity, the sum of clearing prices of all auction products included in that bid must not exceed the bid price in that bid;
  - (ii) for any winning bid that is allocated a quantity of transportation capacity greater than zero but less than the quantity in its bid, the sum of clearing prices of all auction products included in that bid must be equal to the bid price of that bid; and
  - (iii) for any bid that is not allocated any transportation capacity, the sum of the clearing prices of all auction products included in that bid must be no lower than the bid price of that bid.
- (10) In relation to the calculation of amounts payable by auction participants, the Capacity Transfer and Auction Procedures must provide for:
  - (a) subject to paragraph (b), the auction participant to pay an amount for each auction product allocated to the auction participant in the capacity auction by reference to the auction MDQ allocated to the auction participant and the clearing price for the auction product;
  - (b) if the auction MDQ for an auction product allocated to an auction participant in the capacity auction is curtailed, the amount payable by the auction participant for the curtailed auction MDQ and the auction MDQ for the other auction products that formed part of the relevant winning bid to be determined by reference to the curtailed auction MDQ and the auction participant's nominations or renominations for use of auction MDQ; and
  - (c) the payment of GST (as defined in the A New Tax System (Goods and Services Tax) Act 1999 of the Commonwealth) by winning auction participants.
- (11) In relation to the calculation of amounts payable to facility operators, the Capacity Transfer and Auction Procedures must provide for the proceeds of the capacity auction for a gas day (excluding taxes and subject to the maximum total payment provisions in Division 4) to be paid to the facility operators for the auction facilities for which transportation capacity was sold in the capacity auction for that gas day.
- (12) The Capacity Transfer and Auction Procedures may require auction results to be treated as final and not subject to review or the payment of compensation in the event of error in the determination of auction results.

## **653 Auction quantity limits**

- (1) A facility operator for an auction facility must, for each gas day on and from the date the auction facility becomes subject to the capacity auction:

- (a) determine and update the auction quantity limits for the auction facility for the gas day in accordance with the Capacity Transfer and Auction Procedures; and
  - (b) provide the auction quantity limits and any update to AEMO at the time required by the Capacity Transfer and Auction Procedures.
- (2) All auction quantity limits and inputs into them are to be expressed in GJ per gas day.
- (3) The Capacity Transfer and Auction Procedures must include the methodology for the calculation of auction quantity limits, which must give effect to the principles in subrules (4) to (9).
- (4) For each pipeline, the Capacity Transfer and Auction Procedures must provide for the following auction quantity limits to be determined for each gas day, subject to subrule (7):
  - (a) **unused capacity** determined for each pipeline service point on the pipeline, which must be a measure of the physical capacity remaining at the pipeline service point after deducting the scheduled priority flow for the point for the gas day;
  - (b) the **pipeline zone forward haul limit** determined for each pipeline zone on the pipeline, which must be a measure of the total contracted capacity remaining at pipeline service points in the zone after deducting the scheduled priority flow for the relevant pipeline service point for the gas day; and
  - (c) the **forward haul pipeline segment limit** determined for each forward haul pipeline segment on the pipeline, which must be a measure of the contracted capacity for the forward haul pipeline segment remaining after deducting the scheduled priority flow for the forward haul pipeline segment for the gas day.
- (5) For a pipeline (or part) that is bidirectional, the auction quantity limits for a gas day may be determined separately for each direction of service.
- (6) For each compression service facility, the Capacity Transfer and Auction Procedures must provide for the following auction quantity limits to be determined for each gas day, subject to subrule (7):
  - (a) the **compression point unused capacity** determined for each of the compression receipt point and the compression delivery point, which must be a measure of the physical capacity remaining at the relevant compression service point after deducting the scheduled priority flow at the point for the gas day;
  - (b) the **compression facility limit** determined for the compression service facility, which must be a measure of the contracted capacity for the

- compression service facility remaining after deducting the scheduled priority flow for the compression service facility for the gas day; and
- (c) the **compression zone limit** determined for each of the compression receipt zone and the compression delivery zone for the compression service facility, which must be a measure of the total contracted capacity remaining at compression service points in the zone after deducting the scheduled priority flow for the relevant compression service point for the gas day.
- (7) The Capacity Transfer and Auction Procedures must provide for:
- (a) in the calculation of the pipeline zone forward haul limit for a pipeline zone for a gas day, the contracted capacity at each pipeline service point in the zone to be capped by reference to the operational capacity of the pipeline service point for the gas day;
  - (b) in the calculation of the forward haul pipeline segment limit for a forward haul pipeline segment for a gas day, the contracted capacity for the forward haul pipeline segment to be capped by reference to the operational capacity of the forward haul pipeline segment for the gas day;
  - (c) in the calculation of the compression facility limit for a compression facility for a gas day, the contracted capacity for the compression service facility to be capped by reference to the operational capacity of the compression service facility for the gas day; and
  - (d) in the calculation of the compression zone limit for a compression zone for a gas day, the contracted capacity at each compression service point in the zone to be capped by reference to the operational capacity of the compression service point for the gas day.
- (8) For the purposes of subrule (7), the Capacity Transfer and Auction Procedures must provide for operational capacity to be determined by the facility operator in accordance with accepted good industry practice.
- (9) For each pipeline (or part) for which the backhaul auction service is offered in the capacity auction, the Capacity Transfer and Auction Procedures must provide for the auction quantity limit that must be determined for each gas day for the pipeline (or part) to be the **backhaul auction quantity**. The backhaul auction quantity must be a measure of the maximum quantity of backhaul service it is feasible to provide on the pipeline on the gas day, where applicable limited by the quantity of the scheduled net priority forward haul flow on the gas day.
- (10) The Capacity Transfer and Auction Procedures may provide for:
- (a) arrangements for AEMO and a facility operator to agree or have determined the allocation of reserved capacity to an auction facility, service point or pipeline segment for the purposes of determining auction quantity limits where necessary or convenient in order to facilitate the determination of auction quantity limits; and

- (b) circumstances in which a facility operator may include additional quantities of transportation capacity as contracted capacity for the purposes of calculating auction quantity limits (but, to avoid doubt, not for the purposes of the auction service priority principles).

## **Subdivision 2.2 Facility operator obligations in relation to the capacity auction**

### **654 Application and information**

- (1) An auction facility becomes subject to the capacity auction on the date falling 120 business days after the auction application date for the auction facility. For the purposes of this subrule, the **auction application date** for an auction facility is the date on which the circumstances occur by reason of which it becomes an auction facility.

**Note:**

For example, a transportation facility may become an auction facility when it is commissioned or an exemption under Part 24 is revoked.

- (2) A facility operator for an auction facility must, for each day on and from the date the auction facility becomes subject to the capacity auction, provide to AEMO and keep up to date in accordance with the Capacity Transfer and Auction Procedures:
  - (a) information about nominations, scheduling and curtailment for determining amounts payable by or to auction participants, AEMO or facility operators in connection with the capacity auction (**settlement information**); and
  - (b) any other information specified in the Capacity Transfer and Auction Procedures.
- (3) A facility operator for an auction facility must provide revised settlement information to AEMO in accordance with the Capacity Transfer and Auction Procedures or where the settlement information contains an error or discrepancy.

### **655 Giving effect to auction results**

- (1) AEMO must notify the results of the capacity auction for a gas day to facility operators in accordance with the Capacity Transfer and Auction Procedures.
- (2) The facility operator must validate and confirm the receipt of auction results in accordance with the Capacity Transfer and Auction Procedures.
- (3) Subject to subrules (4), (5) and (6), a facility operator must give effect to the results of the capacity auction notified to it by AEMO under subrule (1) by supplying to the auction participant the auction service represented by the auction MDQ allocated to the auction participant in the capacity auction under its

nominated service agreement, subject to the terms and conditions for use of the auction service in the agreement (including terms as to curtailment).

- (4) The facility operator is not required to give effect to the results of the capacity auction for an auction participant if the auction participant's nominated service agreement for the relevant auction service has terminated or in circumstances provided for in the Capacity Transfer and Auction Procedures.
- (5) If a party to a nominated service agreement is a nominee of the auction participant (and not the auction participant), the facility operator must, subject to subrule (4), comply with its obligation under subrule (3) in relation to the nominee party.
- (6) If a transportation service provider who is party to a nominated service agreement is not the facility operator for the auction facility, the facility operator must ensure that the transportation service provider complies with subrules (3) and (5), subject to subrule (4), as if a reference in those subrules to the facility operator were a reference to the transportation service provider.
- (7) The Capacity Transfer and Auction Procedures or the auction agreement may specify arrangements to be complied with and information to be provided to AEMO by an auction participant or a facility operator where a party to a nominated service agreement is a nominee of the auction participant (and not the auction participant) or a transportation service provider for an auction facility who is not also the facility operator for the auction facility.

## **Subdivision 2.3 Capacity auction establishment and participation**

### **656 Establishment and operation of the capacity auction**

- (1) AEMO must:
  - (a) establish, operate and administer the capacity auction; and
  - (b) notify facility operators of the results of the capacity auction,in accordance with this Part and the Capacity Transfer and Auction Procedures.
- (2) AEMO may delay or cancel the capacity auction or suspend the participation of an auction facility or part of an auction facility in the capacity auction for a period specified by AEMO in the circumstances provided for in the Capacity Transfer and Auction Procedures.
- (3) AEMO may suspend the participation of an auction facility or part of an auction facility in the capacity auction for a period specified by AEMO if AEMO believes it is not practicable or not feasible to conduct the capacity auction with the auction facility (or part).
- (4) If AEMO takes any action under subrule (2) or (3), it must publish a notice specifying the action taken as soon as practicable after taking it.

- (5) AEMO must manage billing and settlement for auction amounts payable by or to:
  - (a) auction participants, in accordance with the Capacity Transfer and Auction Procedures and auction agreements; and
  - (b) facility operators, in accordance with this Part and the Capacity Transfer and Auction Procedures.
- (6) AEMO may nominate an electronic funds transfer facility for the purposes of paying auction amounts and if it does so, auction participants, facility operators and AEMO must use that facility for paying and receiving auction amounts.

**657 Capacity Transfer and Auction Procedures and auction agreement**

- (1) The Capacity Transfer and Auction Procedures must provide for the operation and administration of the capacity auction in accordance with this Part.
- (2) The Capacity Transfer and Auction Procedures must include:
  - (a) the auction agreement and eligibility to enter into auction agreements;
  - (b) the specification of auction products or the manner in which that is determined;
  - (c) settlement calculations for the allocation of auction revenues to facility operators;
  - (d) a description of the information to be published by AEMO in relation to the capacity auction before and after it is held each day including auction results;
  - (e) the matters which this Part requires to be specified in the Capacity Transfer and Auction Procedures; and
  - (f) any other matters necessary or convenient to deal with in the Capacity Transfer and Auction Procedures.
- (3) The Capacity Transfer and Auction Procedures may provide for access to information published by AEMO in relation to the capacity auction to be restricted, where necessary to protect against directly or indirectly disclosing a nomination in respect of a market generating unit.
- (4) The Capacity Transfer and Auction Procedures may specify conditions for participation in the capacity auction from time to time (including during the course of bidding) which may include provisions precluding participation by:
  - (a) a person in relation to whom a default event or a suspension event (as provided for in the auction agreement) has occurred;
  - (b) a person who has failed to provide any or sufficient payment security; and



- (c) a person who has previously defaulted on payment obligations under an auction agreement.
- (5) The standard form of auction agreement in the Capacity Transfer and Auction Procedures must set out:
  - (a) provisions under which the auction participant agrees to comply with and be bound by the Capacity Transfer and Auction Procedures or specified provisions in those Procedures;
  - (b) a requirement to provide payment security in respect of participation in the capacity auction including the form and amount of acceptable security and the circumstances in which AEMO may call on security provided;
  - (c) procedures and timing requirements for payment and settlement of auction amounts payable by auction participants;
  - (d) if an auction participant is also a gas trading exchange member, provision for:
    - (i) payment and settlement of auction amounts and amounts owed in relation to the gas trading exchange in respect of the auction participant to be undertaken as a single process;
    - (ii) the calculation of net settlement amounts payable by or to the auction participant taking into account auction amounts and amounts owed in relation to the gas trading exchange in respect of that auction participant; and
    - (iii) close out under the auction agreement if the auction participant is subject to close out under the exchange agreement;
  - (e) obligations of AEMO and the auction participant to maintain security and integrity of the capacity auction platform;
  - (f) the process for the suspension or limitation of access to the capacity auction by an auction participant;
  - (g) the events or circumstances that are default events or suspension events in respect of an auction participant and the steps AEMO may take in respect of any such event;
  - (h) the process for termination of an auction agreement; and
  - (i) the incorporation into auction agreements of amendments to the standard form of auction agreement in the Capacity Transfer and Auction Procedures.

## **658 Suspension and termination of an auction participant**

- (1) AEMO may, in accordance with an auction agreement or the Capacity Transfer and Auction Procedures, suspend or limit the access of an auction participant to the capacity auction if:
  - (a) the auction participant ceases to satisfy the applicable criteria for participation in the capacity auction;
  - (b) a suspension event, as described in the auction agreement, occurs in relation to the auction participant; or
  - (c) AEMO is otherwise required or permitted to do so under the auction agreement or Capacity Transfer and Auction Procedures.
- (2) AEMO may terminate the auction agreement of an auction participant if:
  - (a) a default event, as described in the auction agreement or Capacity Transfer and Auction Procedures, occurs in relation to the auction participant and is not remedied within the period specified in the auction agreement; or
  - (b) the auction participant is also a gas trading exchange member, a default event as described in the exchange agreement occurs in relation to the auction participant and is not remedied within the time specified in the exchange agreement.
- (3) AEMO must terminate the auction agreement of an auction participant at its request made in accordance with the auction agreement, if AEMO is satisfied that the auction participant has met all of its obligations and has no contingent liabilities under the auction agreement.
- (4) If AEMO is entitled to terminate the auction agreement of an auction participant, AEMO may, instead of or in addition to termination and in accordance with the auction agreement:
  - (a) require the payment of amounts actually or contingently owed by that person;
  - (b) draw on and apply any payment security or collateral provided to AEMO by or in relation to that person; and
  - (c) do all other things permitted under the auction agreement to secure payment by, or reduce the potential liability of, that person in relation to the capacity auction.
- (5) If AEMO is entitled to terminate the auction agreement of an auction participant and the auction participant is also a gas trading exchange member, AEMO may, in the circumstances described in rule 538, in addition to termination of the auction agreement and in accordance with the exchange agreement, take the steps mentioned in rule 538(4).

## **659 Fees recoverable by AEMO**

- (1) AEMO may charge fees (**auction fees**) relating to the establishment, operation and administration of the capacity auction payable by auction participants or categories of auction participant in accordance with an auction agreement.
- (2) Auction fees should be sufficient to cover any amount determined to be recoverable as auction fees under Part 15A as a contribution to capacity trading and auction costs (as defined in rule 135C).
- (3) AEMO must consult with auction participants on the structure, introduction and determination of auction fees.
- (4) Rules 135CA(4), 135CA(4A), 135CA(5) and 135CA(6) apply to auction fees as if references in those provisions to participant fees were to auction fees.

## **660 Auction amounts payable by auction participants**

- (1) AEMO must determine, for each billing period, and in accordance with the Capacity Transfer and Auction Procedures, the auction amount payable by each auction participant for the billing period.
- (2) Each auction participant must pay AEMO all auction amounts payable by the auction participant at the time and in the manner and otherwise in accordance with the auction agreement. Payment must be made in accordance with this subrule even if a notice has been given under subrule (3).
- (3) If an auction participant reasonably believes there to be an error (including an omission) or discrepancy in settlement information used by AEMO to determine the auction amount payable by the auction participant, the auction participant must notify AEMO and the relevant facility operator.
- (4) A notice under subrule (3) must be given to AEMO and the relevant facility operator as soon as practicable and in any event within 60 business days after the end of the billing period to which the notice relates.
- (5) If an auction participant gives a notice under subrule (3), the relevant facility operator and the auction participant and where relevant AEMO, must review the settlement information and must each use reasonable endeavours to resolve the matter as soon as practicable.
- (6) A dispute about settlement information the subject of a notice under subrule (3) is a rule dispute and is to be resolved under Part 15C.

## **Division 3            Market conduct and nomination rules**

### **Subdivision 3.1    Market conduct and nomination rules**

#### **661            General requirements**

- (1) An auction participant must, in relation to its activities in connection with the capacity auction:
  - (a) comply with all applicable laws relevant to the performance of its obligations;
  - (b) not act fraudulently, dishonestly or in bad faith; and
  - (c) not engage in any conduct with the intent of distorting or manipulating prices (including reported prices) or the outcomes of the capacity auction or misleading any person.
- (2) A transportation service provider must not engage in any conduct with the intent of distorting or manipulating prices in the capacity auction.
- (3) A transportation service provider must not, in relation to an auction facility owned, operated or controlled by the transportation service provider:
  - (a) submit bids through the capacity auction for auction capacity on the auction facility; or
  - (b) arrange for another person to submit bids through the capacity auction for auction capacity on the auction facility on behalf of the transportation service provider or at a price determined by the transportation service provider.

#### **662            Conduct in relation to auctions**

- (1) An auction participant must not submit a bid through the capacity auction:
  - (a) if the auction participant knows, or ought to know, that it will not be able to perform its obligations under a resulting transaction; or
  - (b) with the intention of defaulting in its performance.
- (2) An auction participant must not intentionally or recklessly default in the performance of its obligations under any transaction arising through the capacity auction.
- (3) An auction participant must not manipulate or attempt to manipulate the capacity auction.

**663 Nominations and renominations must not be false or misleading**

- (1) A transportation facility user for an auction facility must not make a day-ahead nomination or a renomination that is false, misleading or likely to mislead.
- (2) For the purposes of subrule (1), the making of a day-ahead nomination or renomination is deemed to represent to transportation service providers, other transportation facility users and auction participants that the day-ahead nomination or renomination will not be changed, unless the person making the day-ahead nomination or renomination becomes aware of a change in the material conditions and circumstances upon which the day-ahead nomination or renomination is based.
- (3) Without limiting subrule (1), a day-ahead nomination or renomination is deemed to be false or misleading if, at the time of making the day-ahead nomination or renomination the transportation facility user:
  - (a) does not have a genuine intention to use the quantity of transportation capacity for which the day-ahead nomination or renomination is made; or
  - (b) does not have a genuine intention to use no more than the quantity of transportation capacity for which the day-ahead nomination or renomination is made; or
  - (c) does not have a reasonable basis to make the representations made by reason of subrule (2).
- (4) In any proceeding in which a contravention of subrule (1) is alleged, in determining whether a transportation facility user made a day-ahead nomination or renomination that was false, misleading or likely to mislead, a court must have regard to the need for accurate, reliable and timely information about the intended use of transportation capacity for the efficient conduct of the capacity auction and the efficient scheduling and use of transportation capacity for all transportation facility users.
- (5) A transportation facility user may be taken to have contravened subrule (1) notwithstanding that, after all the evidence has been considered, the false or misleading character of the day-ahead nomination or renomination is ascertainable only by inference from:
  - (a) other nominations, including in a regulated gas market or under a gas sales agreement, made by the transportation facility user or in relation to which the transportation facility user had substantial control or influence;
  - (b) bids in a wholesale electricity market or wholesale gas market made by the transportation facility user or in relation to which the transportation facility user had substantial control or influence;
  - (c) other conduct (including any pattern of conduct), knowledge, belief or intention of the relevant transportation facility user;

- (d) the conduct (including any pattern of conduct), knowledge, belief or intention of any other person;
- (e) information published by AEMO or a transportation service provider or the relevant transportation facility user; or
- (f) any other relevant circumstances.

### **Subdivision 3.2 Role of the AER**

#### **664 AER monitoring**

- (1) The AER must monitor day-ahead nominations, renominations and activity in the capacity auction with a view to ensuring that transportation service providers, auction participants and transportation facility users comply with the market conduct and nomination rules.
- (2) The AER may, in connection with its investigation of compliance with the market conduct and nomination rules, request AEMO to suspend or limit the access of a person to the capacity auction if the AER considers that continued participation by that person may materially and adversely affect:
  - (a) the financial position of auction participants or facility operators; or
  - (b) the integrity of the capacity auction.
- (3) AEMO must comply with a request by the AER under subrule (2).

### **Subdivision 3.3 Nomination, scheduling and rescheduling records**

#### **665 Facility operators to keep nomination and scheduling records**

- (1) A facility operator must make and maintain records of the following information (**nomination and scheduling records**) in relation to each of its auction facilities in accordance with subrule (2):
  - (a) day-ahead nominations for use of the auction facility (including deemed or default nominations) made prior to the nomination cut-off time including quantity (in GJ/day) and the time the day-ahead nomination was made;
  - (b) renominations including quantity (in GJ/day) and the time the renomination was made; and
  - (c) the scheduled quantity for each transportation service provided by means of the auction facility (in GJ/day).
- (2) The nomination and scheduling records must be made and maintained in the manner specified in guidelines published by the AER under subrule (3) such that they separately record the information for each:

- (a) gas day;
  - (b) transportation facility user;
  - (c) auction facility; and
  - (d) transportation service.
- (3) The AER must develop and publish and may amend, guidelines setting out the matters to be included in nomination and scheduling records and the manner in which the records are to be made and kept.
- (4) In developing the guidelines under subrule (3) and making any amendments to them, the AER must:
- (a) comply with the *standard consultative procedure*; and
  - (b) have regard to the need for costs likely to be incurred by facility operators in complying with the guidelines to be proportionate and appropriate.
- (5) Nomination and scheduling records must be maintained for a period of 5 years after the gas day to which the records relate.
- (6) The facility operator for an auction facility must give nomination and scheduling records to the AER on written request by the AER.

## **666 Renomination records for firm services and auction services**

- (1) A transportation facility user for an auction facility who makes a material renomination as defined in subrule (2) for use on a gas day of a transportation service must make a contemporaneous record in relation to the renomination, which must include a record of:
- (a) the material conditions and circumstances giving rise to the renomination;
  - (b) the transportation facility user's reasons for making the renomination, which must be verifiable and specific;
  - (c) the time at which the event or other occurrence giving rise to the renomination occurred; and
  - (d) the time at which the transportation facility user first became aware of the relevant event or other occurrence.
- (2) For the purpose of subrule (1), a renomination of a transportation facility user is a material renomination in relation to a gas day and transportation service if:
- (a) the renomination is for:
    - (i) a transportation service taken into account in the calculation of an auction quantity limit; or

- (ii) an auction service; and
- (b) the renomination, either alone or when taken together with other renominations of the transportation facility user for that transportation service for the gas day (whether before or after the renomination) results in a variation of more than 10% to:
  - (i) except in the case of an auction service, the last day-ahead nomination of the transportation facility user for that transportation service before the nomination cut-off time applicable to the transportation service; and
  - (ii) in the case of an auction service, the initial nomination for use of the auction service.
- (3) A record made under subrule (1) must be maintained for a period of 5 years after the gas day to which the record relates.
- (4) A transportation facility user must, upon written request from the AER and in accordance with the guidelines published by the AER under subrule (5), provide to the AER information to substantiate and verify the reason for a material renomination (including any record made under subrule (1)) as the AER may require from time to time.
- (5) The AER must develop and publish guidelines for the purposes of subrule (4) and may amend the guidelines from time to time. The guidelines developed under this subrule must include:
  - (a) the amount of detail to be included in the information provided to the AER; and
  - (b) procedures for handling claims by transportation facility users that information provided to the AER is confidential information.
- (6) In developing the guidelines under subrule (5) and making any amendments to them, the AER must:
  - (a) comply with the *standard consultative procedure*; and
  - (b) have regard to the need for costs likely to be incurred by transportation facility users in complying with the guidelines to be proportionate and appropriate having regard to the need for accurate, reliable and timely information about the intended use of transportation capacity for the efficient conduct of the capacity auction and the efficient scheduling and use of transportation capacity for all transportation facility users.
- (7) The AER may publish the guidelines developed under subrule (5) and the guidelines under rule 665(3) as one instrument.



## **Division 4            Payment of capacity auction revenues**

### **667            Billing period settlement amounts for facility operators**

- (1) AEMO must determine the settlement amount for each facility operator for each billing period in accordance with subrule (2).
- (2) The **settlement amount** for a facility operator for a billing period equals the sum of the following amounts calculated by AEMO in accordance with the Capacity Transfer and Auction Procedures:
  - (a) the amount payable by AEMO to the facility operator for each gas day in the billing period in respect of the capacity auction; plus
  - (b) any other amounts payable under this Part or the Capacity Transfer and Auction Procedures by AEMO to the facility operator in respect of that billing period and to be included in the settlement amount for the billing period; less
  - (c) any amount payable under this Part by the facility operator to AEMO in respect of that billing period or a prior billing period.

### **668            Final statements and final statement payment date**

- (1) By the 15th business day after the end of each billing period, AEMO must make available to each facility operator a final statement stating the settlement amount payable by or to that facility operator for the billing period.
- (2) AEMO must comply with any requirements in the Capacity Transfer and Auction Procedures in respect of the preparation, content and issue of final statements.
- (3) The payment date for a final statement for a billing period (**final statement payment date**) is the 17th business day after the end of the billing period or the second business day after receipt of the final statement under subrule (1), whichever is the later.

### **669            Settlement queries and disputes**

- (1) If a facility operator reasonably believes there to be an error or discrepancy in a final statement or a revised statement, the facility operator must notify AEMO of that error or discrepancy as soon as practicable.
- (2) If AEMO reasonably believes there to be an error or discrepancy in settlement information that affects a final statement or a revised statement, AEMO must notify the facility operator of that error or discrepancy as soon as practicable.
- (3) If a notice is given under subrule (1) or (2), AEMO and the facility operator must each use reasonable endeavours to resolve the matter as soon as practicable.

- (4) If, after review under subrule (3), AEMO considers that a final statement or a revised statement contains an error or discrepancy, AEMO must notify all facility operators whose statements will be affected by the error or discrepancy and make a revised statement available under rule 670 to correct the error or discrepancy.
- (5) Any dispute in respect of the settlement amount stated to be payable by AEMO or a facility operator in a final statement or a revised statement must be raised under Part 15C within 90 business days after the date on which AEMO made that statement available to the facility operator.

## **670 Revised statements**

- (1) AEMO may make a revised statement available to a facility operator as part of its usual settlement administration arrangements or if AEMO otherwise considers there is a reasonable need to do so.
- (2) AEMO must make a revised statement available to a facility operator within 5 business days:
  - (a) if an amount in a final statement or a revised statement has been the subject of a dispute and the dispute has been resolved in a way that causes the amount payable to differ from the amount payable in the disputed statement; or
  - (b) to correct an amount in a final statement or a revised statement arising in connection with an error or discrepancy in settlement information used for the final statement.
- (3) A revised statement must set out:
  - (a) the amount payable by the facility operator to AEMO or, subject to rule 672, the amount payable by AEMO to the facility operator; and
  - (b) the adjustment being made by the revised statement plus interest at the interest rate, calculated as simple interest on a daily basis, for the period commencing on the day after the payment date applicable to the statement to which the adjustment relates and ending on the payment date applicable to the revised statement but taking into account any adjustments previously made as a result of an earlier revised statement for the same billing period.

## **671 Revised statement payment date**

- (1) AEMO must specify the date on which a payment of an adjustment under a revised statement is due, which must not be less than 10 business days after the date on which that revised statement is made available to the facility operator.
- (2) If the next final statement payment date occurs 10 business days or more after the revised statement is made available, AEMO must require payment of the adjustment under the revised statement to be made on that next final statement payment date.

- (3) If the next final statement payment date occurs less than 10 business days after the revised statement is made available, AEMO must require payment of the adjustment under the revised statement to be made on the final statement payment date following the next final statement payment date.

## **672 Payment of final and revised statements**

- (1) No later than 2:00 pm on the final statement payment date for a billing period, AEMO must pay to each facility operator in cleared funds the settlement amount stated to be payable to that facility operator in that facility operator's final statement for the billing period or revised statement payable on that date if at that time the maximum total payment to facility operators under this Division as provided for under rule 673 is not less than the aggregate of those amounts.
- (2) If the maximum total payment to facility operators under this Division as at 2:00 pm on the final statement payment date is less than the aggregate of the amounts stated to be payable to facility operators in final statements and revised statements, AEMO must pay to each facility operator the reduced amount determined in accordance with the Capacity Transfer and Auction Procedures as provided for under rule 673 by 4:00 pm on the same date.
- (3) If AEMO receives payments in respect of amounts due to AEMO and used to calculate the maximum total payment after 2:00 pm on the final statement payment date, AEMO must as soon as reasonably practicable, pay to those facility operators whose settlement amounts were reduced under subrule (2) a share of the payment received in accordance with the Capacity Transfer and Auction Procedures in the proportions in which those amounts were reduced.
- (4) If in a billing period an amount is payable by a facility operator to AEMO under a final statement or a revised statement, then no later than 12 noon on the payment date under subrule (1), the facility operator must pay in cleared funds the amount stated to be payable to AEMO by the facility operator to AEMO in the relevant statement, whether or not the facility operator disputes the amount payable.
- (5) If on a final statement payment date an amount is due for payment under this rule by AEMO to a facility operator and by the facility operator to AEMO, AEMO may set off the amount payable by the facility operator against the amount payable by AEMO and pay a single net amount.

## **673 Maximum total payment in respect of a billing period**

- (1) AEMO must specify in the Capacity Transfer and Auction Procedures a methodology for determining:
  - (a) the maximum total payment in respect of a period to:
    - (i) facility operators under this Division;
    - (ii) facility operators for the purposes of rule 639; and

- (iii) a party to the exchange agreement or an auction agreement;
  - (b) the reduction to be applied to any of the payments referred to in paragraph (a) if there is a shortfall between the maximum total payment in respect of a period and the amount that has been paid to AEMO or which AEMO is able to recover under credit support in respect of the period under the exchange agreement or an auction agreement (net of the amounts referred to in subrule (3)); and
  - (c) the amount to be paid to a person whose payment has been reduced, where AEMO subsequently receives payment in respect of a shortfall amount.
- (2) The methodology under subrule (1) must determine the maximum total payment under each instrument referred to in subrule (1)(a) and allocate any shortfall (net of the amounts referred to in subrule (3)) in a fair and reasonable manner, taking into account the effect of the netting of amounts owed under an auction agreement and amounts owed under the exchange agreement in respect of an auction participant that is also a gas trading exchange member.
- (3) The methodology under subrule (1) may provide for any payment received by AEMO from an auction participant or gas trading exchange member in respect of a billing period to be taken to be made, and applied by AEMO, in satisfaction of the auction fees or exchange fees payable to AEMO by that person before it is applied by AEMO in satisfaction of any other obligation or liability or the calculation of the reduction to any payment.

#### **674 Interest on overdue amounts**

- (1) A person required to pay AEMO an amount under this Part or an auction agreement must pay interest on any unpaid monies due and payable by it under this Part at the *default interest rate*, calculated as simple interest on a daily basis for the period commencing on the date payment was due and ending on the date payment is made.
- (2) AEMO must pay interest on any unpaid monies due and payable by it under this Part at the *default interest rate*, calculated as simple interest on a daily basis for the period commencing on the date payment was due and ending on the date payment is made.

#### **675 Application of GST**

- (1) All monetary amounts payable, determined, published or notified under or referred to in this Part (including auction fees) exclude GST.
- (2) A statement or invoice issued in relation to a taxable supply made under or in connection with this Part must include an amount on account of any GST in respect of that supply.

- (3) Terms defined in the A New Tax System (Goods and Services Tax) Act 1999 of the Commonwealth have the same meaning when used in this rule.

## Part 26 Standard market timetable

### 676 Application of this Part

- (1) This Part provides for a standard market timetable.
- (2) This Part is made for section 83B of the *NGL*.
- (3) This Part does not apply in Western Australia until the day an order under section 7A of the National Gas Access (WA) Act 2009 of Western Australia in relation to the National Gas (South Australia) (Capacity Trading and Auctions) Amendment Act 2018 of South Australia is published in the Western Australian Government Gazette or, if a later day is specified in the order, on that day.

### 677 Definitions and interpretation

- (1) In this Part:

**auction facility** has the meaning given in Part 25.

**auction service nomination cut-off time** has the meaning given in rule 678(3).

**day-ahead nomination** means a nomination given on a gas day about intended use of a service provided by means of a natural gas facility on the following gas day or any part of the following gas day.

**facility operator** means for:

- (a) a production facility: each producer, user or non scheme pipeline user who owns, operates or controls the production facility;
- (b) a gas storage facility: each storage provider for the gas storage facility; and
- (c) a transportation facility: each transportation service provider for the transportation facility.

**gas day** means a period of 24 consecutive hours used for the nomination, scheduling and provision of services provided by means of a natural gas facility.

**gas storage facility** means a facility for storing natural gas for injection into a pipeline.

**natural gas facility** means a production facility, a transportation facility or a gas storage facility.

**nomination** means, according to the context:

- (a) information about a person's intended use of a service provided by means of a natural gas facility on one or more gas days or any part of a gas day; or

- (b) the process and timetable for the provision of the information in paragraph (a) to a facility operator.

**nomination cut-off time** means the time by which a day-ahead nomination for a gas day must be made for the purposes of scheduling for that gas day.

**Part 24 facility** has the meaning given in Part 24.

**production facility** means a facility at which natural gas is produced so that it is in a form suitable for injection into a pipeline.

**publish**, by a person, means to make publicly available on the person's website.

**renomination** means a request made after the nomination cut-off time to vary an earlier nomination for use of transportation capacity, including variation to a deemed or default day-ahead nomination.

**standard gas day** has the meaning given in rule 678(1).

**standard nomination cut-off time** has the meaning given in rule 678(2).

- (2) A reference to a person's intended use of a service provided by means of a natural gas facility includes a reference to:
  - (a) the quantity of natural gas in respect of which the service will be used; and
  - (b) where applicable to the service, at or between which the person intends to use the service.
- (3) References in this Part to a time of day are to Australian Eastern Standard Time (and are not adjusted for daylight saving time in any jurisdiction).
- (4) For the purposes of this Part, each part of a pipeline is taken to have the same classification that it has under Part 24.

**Note:**

Refer to sections 18 and 19 of the *NGL*, rule 550 in Part 23 and rules 593(2) and (3) in Part 24.

## **678 Standard market timetable**

- (1) The **standard gas day** is a gas day starting at 6:00 am.
- (2) The **standard nomination cut-off time** is 3:00 pm on the gas day immediately preceding the gas day to which the nomination relates.
- (3) The **auction service nomination cut-off time** is 6:45 pm on the gas day immediately preceding the gas day to which the nomination relates.

- (4) Subject to subrule (7), a facility operator for a natural gas facility must use the standard gas day for the nomination, scheduling and provision of services provided by means of the natural gas facility.
- (5) Subject to subrules (6) and (7), a facility operator for a Part 24 facility must use the standard nomination cut-off time for day-ahead nominations for services provided by means of the facility.
- (6) Subject to subrule (7), a facility operator for an auction facility must:
  - (a) use the standard nomination cut-off time for day-ahead nominations for services (other than auction services) provided by means of the auction facility; and
  - (b) use the auction service nomination cut-off time for day-ahead nominations for auction services provided by means of the auction facility.
- (7) Nothing in subrule (4), (5) or (6) prevents a facility operator:
  - (a) providing for the nomination, scheduling or provision of a service provided by means of a natural gas facility over periods shorter than a standard gas day, where the first such period starts at the start of the standard gas day and the last such period ends at the end of the standard gas day;
  - (b) subject to the rules and the Capacity Transfer and Auction Procedures, extending the standard nomination cut-off time or the auction service nomination cut-off time for a gas day where there is an unforeseen event (such as a system failure) or when otherwise required or permitted to do so under the rules or the Capacity Transfer and Auction Procedures;
  - (c) accepting or giving effect to a renomination; or
  - (d) rescheduling a service provided by means of a natural gas facility over the course of a gas day.
- (8) A facility operator for a natural gas facility must ensure that the equipment used for the measurement and recording of quantities of natural gas in the circumstances described in subrule (9) does so for:
  - (a) each period corresponding to the standard gas day; or
  - (b) periods shorter than a standard gas day, where the first such period starts at the start of the standard gas day and the last such period ends at the end of the standard gas day.
- (9) The circumstances referred to in subrule (8) are:
  - (a) in the case of a natural gas facility other than a distribution pipeline, the measurement and recording of quantities of natural gas injected into or withdrawn from the natural gas facility or produced by the natural gas facility; and



- (b) in the case of a distribution pipeline, the measurement and recording of quantities of natural gas injected into or withdrawn from the distribution pipeline, where that measurement and recording is done on an hourly or daily basis (and not where the measurement and recording is done over periods longer than a day).

**Note:**

Paragraph (b) is intended to confine the operation of this rule to interval meters. The rule is not intended to extend to basic meters.

## Schedule 1 Transitional Provisions

### Part 1 Transitional provisions consequent on initial National Gas Rules

#### 1 Definitions

(1) In this Part:

**date of transition** means:

- (a) for all jurisdictions except Western Australia - the day on which section 20 of the *National Gas (South Australia) Act 2008 (SA)* comes into operation;
- (b) for Western Australia – the day on which section 30 of the *National Gas Access (WA) Act 2009 (WA)* comes into operation.

**former access regime** means the legislative scheme consisting of:

- (a) the *Gas Pipelines Access Law*; and
- (b) the *Gas Pipelines Access Regulations*; and
- (c) the *National Third Party Access Code for Natural Gas Pipeline Systems*.

**new access regime** means the legislative scheme consisting of:

- (a) the *National Gas Law*; and
- (b) the regulations made for the purposes of the *National Gas Law*; and
- (c) these rules.

**transitional access arrangement** means an access arrangement:

- (a) that was in force under the former access regime immediately before the date of transition and continues in force:
  - (i) as a full access arrangement under clause 26 of Schedule 3 to the NGL; or
  - (ii) as a limited access arrangement under clause 27 of Schedule 3 to the NGL; or
  - (iii) subject to revisions made in accordance with the Gas Code under clause 29 of Schedule 3 to the NGL; or
- (b) that takes effect as a full access arrangement under clause 28 of Schedule 3 to the NGL or as a limited access arrangement under clause 32 of Schedule 3 to the NGL.

**transitional access arrangement period** means the access arrangement period for which a transitional access arrangement remains transitional – See subclause (2).

- (2) A transitional access arrangement remains transitional:
  - (a) for an access arrangement period that commences before and ends after the date of transition; and
  - (b) if the access arrangement is made or revised after the date of transition in accordance with the provisions of the Gas Code under Schedule 3 to the NGL – for the whole of the ensuing access arrangement period.

## **2 Effect to be given to transitional access arrangement under the rules**

Subject to this Schedule, the rules are to be read subject to such adaptations and modifications as are necessary to give full effect to a transitional access arrangement under the rules.

## **3 Facilitation of transition from the former access regime to the new access regime**

- (1) The following provisions are intended to facilitate the transition from the former access regime to the new access regime.
- (2) An agreement by the Relevant Regulator under section 8.21 of the Gas Code that actual or forecast new facilities investment meets or will meet the requirements of section 8.16(a) of the Gas Code will be taken to be:
  - (a) in the case of actual capital expenditure – a decision by the AER under rule 79 to the effect that the capital expenditure conforms with the new capital expenditure criteria; and
  - (b) in the case of forecast capital expenditure – a determination by the AER under rule 80 that, if the capital expenditure is made in accordance with the conditions of the agreement, it will meet the new capital expenditure criteria.
- (3) An application that remained undecided on the date of transition for the Relevant Regulator's agreement under section 8.21 of the Gas Code that forecast new facilities investment will meet the requirements of section 8.16(a) of the Gas Code becomes, on the date of transition, an application for a determination by the AER under rule 80 that the forecast capital expenditure will meet the new capital expenditure criteria.
- (4) A discount permitted by the Relevant Regulator under section 8.43 of the Gas Code will be taken to be a discount approved by the AER under rule 96.

- (5) An application that remained undecided on the date of transition for the Relevant Regulator's permission for a discount under section 8.43 of the Gas Code becomes, on the date of transition, an application for the AER's approval of a discount under rule 96.
- (6) A surcharge approved by the Relevant Regulator under section 8.25 of the Gas Code will be taken to be a surcharge approved by the AER under rule 83.
- (7) An application that remained undecided on the date of transition for the Relevant Regulator's approval of a surcharge becomes, on the date of transition, an application for the AER's approval of a surcharge under rule 83.
- (8) If:
  - (a) a proposal for variations to a reference tariff had been put, before the date of transition, to the Relevant Regulator under section 8.3B of the Gas Code; but
  - (b) the Relevant Regulator had not allowed, disallowed or specified a variation to the reference tariff under section 8.3D or 8.3E of the Gas Code,the Relevant Regulator must decide the matter under the Gas Code.
- (9) A date designated in a transitional access arrangement as a revisions submission date (including such a date extended under section 7.19 of the Gas Code) will be taken to be a review submission date for the purposes of the rules and a date designated in a transitional access arrangement as a revisions commencement date will be taken to be a revision commencement date for the purposes of the rules.
- (10) An event specified in a transitional access arrangement under section 3.17(ii) of the Gas Code as an event that triggers an obligation to submit revisions to the access arrangement prior to the revisions submission date will be taken to be a trigger event for the purposes of rule 51.
- (11) Access arrangement information submitted under the Gas Code (including access arrangement information amended under the Gas Code) will be taken to be access arrangement information for the purposes of the rules.
- (12) A speculative investment fund established under section 8.19 of the Gas Code will be taken to be a speculative capital expenditure account under rule 84.
- (13) A mechanism included in a transitional access arrangement under section 8.27 of the Gas Code for removing redundant capital from the capital base for a covered pipeline will be taken to be a corresponding mechanism under rule 85 for ensuring that assets that cease to contribute in any way to the delivery of services (redundant assets) are not reflected in the capital base.
- (14) If total revenue is calculated for the purposes of a transitional access arrangement under sections 8.4 and 8.9 of the Gas Code in accordance with the IRR or NPV methodology as described in those sections, the opening capital base for the first

access arrangement period to follow the transitional access arrangement period will be based on the value of the capital base at the end of the transitional access arrangement period arrived at in accordance with that calculation.

- (15) A transitional access arrangement approved or made in accordance with section 3.34 of the Gas Code will, from the date of transition, be taken to be CTP access arrangement for the purposes of the rules and a date designated in such an access arrangement as a revisions commencement date will be taken to be an expiry date for the purposes of the rules.
- (16) A service provider who was, immediately before the date of transition, required to maintain a public register by or under section 5.9 of the Gas Code is taken to have been required by the AER, on the date of transition, to maintain a public register of spare capacity under rule 111.
- (17) For the avoidance of doubt:
  - (a) subclauses (9), (10) and (11) are not intended to apply to a transitional access arrangement that is being revised under clause 29 of Schedule 3 to the NGL; and
  - (b) the clause is not intended to affect in any other way the operation of clause 28(2) or 29(2) of Schedule 3 to the NGL.

#### **4 Displacement of certain provisions of the Gas Code during transitional period**

Despite the continued operation of certain provisions of the Gas Code under clause 30 of Schedule 3 to the NGL, the following rules operate to exclude the application to a transitional access arrangement of corresponding provisions of the Gas Code:

- (a) rule 80;
- (b) rule 83;
- (c) rule 96.

#### **5 Access arrangement revision proposal for transitional access arrangement**

- (1) In deciding whether to approve an access arrangement revision proposal for a transitional access arrangement, or in making its own proposal for revision of a transitional access arrangement under rule 63 or 64, the AER must:
  - (a) take into account the operation of an incentive mechanism approved for the transitional access arrangement under section 8.44 of the Gas Code and ensure, in particular, that revenue calculations made for the next access arrangement period properly reflect increments or decrements resulting from the operation of the incentive mechanism; and

- (b) take into account (subject to rule 99(4)(b)) any provisions of the transitional access arrangement that were fixed principles under section 8.47 of the Gas Code and the period for which they were fixed; and
  - (c) if a period has been specified in the transitional access arrangement for the purpose – take into account the difference between projected and actual capital expenditure for the relevant period to the extent necessary to ensure an accurate roll forward of the capital base from the period of the transitional access arrangement to the commencement of the new access arrangement period; and
  - (d) take into account the set of depreciation schedules that constitute the Depreciation Schedule for the transitional access arrangement under section 8.32 of the Gas Code.
- (2) For the avoidance of doubt, this clause is not intended to affect in any way the operation of clause 29(2) of Schedule 3 to the NGL.

## **6 Fixed principle in access arrangement for Dampier to Bunbury Natural Gas Pipeline**

Rule 99(4)(b) does not apply to the fixed principle referred to in clause 7.13(a)(ii) of the Revised Access Arrangement for the Dampier to Bunbury Natural Gas Pipeline dated 21 November 2006.

## **7 Additional criteria related to capital expenditure for WA transmission pipelines**

- (1) In this clause:

**relevant access arrangement** means a transitional access arrangement for a WA transmission pipeline or an access arrangement for a WA transmission pipeline that was formerly a transitional access arrangement.

**relevant decision** means a decision relevant to whether the AER should approve, or give effect to, a relevant proposal.

**relevant proposal** means:

- (a) an access arrangement revision proposal for revision of a relevant access arrangement for the first or second access arrangement period to commence after the date of transition; or
- (b) a proposal by the AER under rule 63 or 64 for revision of a relevant access arrangement for the first or second access arrangement period to commence after the date of transition; or
- (c) a relevant transitional application for a determination under rule 80 to the effect that proposed capital expenditure will meet the new capital expenditure criteria.

**relevant transitional application** means an application by the service provider for a WA transmission pipeline made during the access arrangement period for which the access arrangement remains transitional or the ensuing access arrangement period.

**WA transmission pipeline** means a transmission pipeline within Western Australia.

- (2) In making a relevant decision under rule 79(3) on whether the overall economic value of capital expenditure is positive, the AER must consider not only economic value directly accruing to the service provider, gas producers, users and end users (as required by rule 79(3)) but also material economic value that is likely to accrue directly to electricity market participants and end users of electricity from additional gas fired generation capacity.

## **8 Access arrangement variation proposal raising previously settled issues**

If:

- (a) a service provider submits an access arrangement variation proposal in relation to a transitional access arrangement; and
- (b) it appears to the AER that the proposal raises again an issue previously decided under the Gas Code,

the AER must reject the proposal unless satisfied that changes of circumstance occurring since the issue was decided under the Gas Code justify reconsideration of provisions of the access arrangement affected by the previous decision.

## **Part 2 Transitional provisions consequent on Australian Energy Market Operator Amendments**

### **9 Review of operation of clause 10**

- (1) The NSW Minister must have periodic reviews of the operation of clause 10 carried out.
- (2) The reviews are to be carried out:
  - (a) in the case of the first review – within 5 years after the commencement of the Procedures governing the NSW/ACT retail gas market; and
  - (b) in the case of a later review – within one year after the conclusion of the previous review.
- (3) The reviews will be designed to ascertain whether clause 10 continues to be required to ensure:

- (a) that the provision of services to participants in the NSW/ACT retail gas market is efficient and cost-effective; and
- (b) that service providers are able to recoup material costs of performing obligations under the rules or the Procedures related to the NSW/ACT retail gas market.

**Note:**

A finding that clause 10 is no longer necessary to ensure the above objectives is described below as a positive finding.

- (4) The NSW Minister must:
  - (a) publish the results of each review in the NSW Government Gazette;
  - (b) give a copy of the results of each review to AEMO for publication on AEMO's website.
- (5) If a review results in a positive finding:
  - (a) no further review is required under this clause; and
  - (b) the NSW Minister must make an order fixing a date for the expiry of this clause and clause 10.
- (6) This clause will expire on the date fixed for its expiry under subrule (5).
- (7) The NSW Minister must consult with AEMO and the ACT Minister on the conduct of reviews, and the exercise of Ministerial powers, under this clause.

## **10 Obligations imposing additional costs on service providers in NSW/ACT**

- (1) This clause applies to new Procedures governing the operation of the NSW/ACT retail gas market if AEMO is satisfied on the application of a service provider that:
  - (a) the new Procedures add to, or otherwise change, the service provider's obligations; and
  - (b) the changes would (apart from this clause) increase the service provider's material costs of participation in the relevant market; and
  - (c) the service provider is not able to recoup the increase under the existing regulatory framework.
- (2) An application cannot be made more than 20 business days after the date fixed for the commencement of the new Procedures.



- (3) The Procedures governing the operation of the NSW/ACT retail gas market continue to apply to the applicant service provider as if the new Procedures had not been made until:
  - (a) the regulatory framework is changed to allow for recovery of the increased costs by the service provider; or
  - (b) AEMO takes other steps that have the effect of relieving the service provider from the obligation to incur the increase in costs.
- (4) In this clause:

**new Procedures** means Procedures governing the operation of the NSW/ACT retail gas market made after the first such Procedures are made under section 294A of the NGL.
- (5) On the day on which clause 9 expires, this clause also expires.

## 11 Presumptive exemption from registration

- (1) An exemption from registration is taken to have been granted on the relevant changeover date under rule 135AG(1)(b) in favour of the following participants in the NSW/ACT retail gas market:
  - (a) a person who holds a supplier's authorisation but does not supply gas by means of a designated distribution pipeline;
  - (b) a person who holds a reticulator's authorisation but not in respect of a designated distribution pipeline;
  - (c) a supplier of gas by means of a distribution pipeline specified in the reticulator's authorisation held by the Albury Gas Co;
  - (d) the Albury Gas Co;
  - (e) a person that holds a licence, approval or authorisation under the *Utilities Act 2000* of the Australian Capital Territory corresponding to a supplier's authorisation but does not supply gas.
- (2) An exemption from registration as a participant in the Victorian retail gas market is taken to have been granted on the relevant changeover date under rule 135AG(1)(b) in favour of the service provider for the distribution pipeline that serves Mildura and its environs.
- (3) An exemption under this clause is subject to revocation in the same way as if granted by AEMO on the changeover date.
- (4) In this clause:

**Albury Gas Co** means The Albury Gas Co Limited (ACN 000 001 249).

**designated distribution pipeline** means a pipeline to which a reticulator's authorisation held by any of the following relates:

- (a) ACTEW/AGL Distribution (a partnership between Actew Distribution Limited (ACN 073 025 224) and AGL Gas Company (ACT) Pty Ltd);
- (b) AGL Gas Networks Limited (ACN 003 004 322);
- (c) the Albury Gas Co;
- (d) Country Energy Gas Pty Ltd (ACN 083 199 839);
- (e) Central Ranges Pipeline Pty Ltd (ACN 108 218 355).

**reticulator's authorisation** means a reticulator's authorisation under the *Gas Supply Act 1996* (NSW).

**supplier's authorisation** means a supplier's authorisation under the *Gas Supply Act 1996* (NSW).

## 12 Examination and assessment of proposals for the making of Procedures

- (1) AEMO is not required to comply with the approved process for examining, assessing, and reporting on, a proposal for the making of Procedures if the proposal is made within 6 months of the first changeover date.
- (2) However, in examining, assessing, and reporting on such a proposal, AEMO must act as AEMO considers reasonable and appropriate having regard (where applicable) to procedures for regulatory change that were observed before the changeover date.
- (3) In this clause:

**approved process** means the process contemplated by rule 135EC for examining and assessing a proposal for the making of Procedures and the preparation of an impact and implementation report.

## Part 3 Transitional provisions consequent on short term trading market amendments

### 13 Definitions

- (1) Terms defined in rule 364 have the same meanings when used in this Part.
- (2) In this Part:

**Brisbane hub commencement date** means:

- (a) the date specified by the Queensland Government in a notice published in the Queensland Government Gazette; or
- (b) a later date determined and published by AEMO not less than 20 business days before the Brisbane hub commencement date in effect immediately prior to that determination, after consultation with persons AEMO considers would be materially affected by the determination.

**Brisbane hub market trial** means a market trial conducted by AEMO at the Brisbane hub prior to the Brisbane hub commencement date.

**effective date** means the date on which Part 20 of the rules comes into effect.

**first Brisbane hub financial year** means the period from the first Brisbane hub gas day to the next 30 June.

**first Brisbane hub gas day** means the gas day commencing on the Brisbane hub commencement date.

**first financial year** means the period from the first STTM gas day to the next 30 June.

**first STTM gas day** means the gas day commencing on the STTM commencement date.

**market trial** means the short term trading market trial conducted by AEMO prior to the STTM commencement date.

**Queensland effective date** means the date on which Queensland becomes an adoptive jurisdiction in respect of AEMO's STTM functions.

## **14 Registration of participants and allocation agents in a short term trading market through market trial process**

- (1) If a person to whom rule 135ABA(2) applies:
  - (a) was registered by AEMO for the purposes of the market trial in a registrable capacity; and
  - (b) remained registered in that registrable capacity immediately before the effective date; and
  - (c) provides evidence satisfactory to AEMO that it complies with the applicable requirements of rule 135AC(f) and (if applicable) rule 373 no later than 10 business days before the STTM commencement date,

that person is not required to apply for registration in that registrable capacity after the effective date, and is taken to be registered by AEMO in that registrable capacity under Division 1 of Part 15A with effect from the date on which AEMO confirms that person's compliance with paragraph (c).

- (2) If a person was registered by AEMO as an allocation agent for the purposes of the market trial and remained so registered immediately before the effective date, that person is taken to be registered by AEMO as an allocation agent under rule 389.
- (3) A person who is taken to be registered in a registrable capacity under subclause (1) or as an allocation agent under subclause (2) must notify AEMO of any changes to the details that were registered for the purposes of the market trial as soon as the person becomes aware that those details are incorrect.

## **15 Registration of STTM information through market trial process**

- (1) This clause applies to:
  - (a) an STTM facility operator who has provided the information contemplated in rule 376(1) to AEMO for the purposes of the market trial; and
  - (b) an STTM distributor who has provided the information contemplated in rule 376(2) to AEMO for the purposes of the market trial; and
  - (c) a contract holder who has provided the information contemplated in rule 380, 384 or 385 to AEMO for the purposes of the market trial.
- (2) A person to whom this clause applies is not required to comply with an obligation to provide information to AEMO after the effective date under rule 376(1), 376(2), 380, 384 or 385 to the extent that:
  - (a) AEMO has registered that information for the purposes of the market trial; and
  - (b) any confirmation of the information required by these rules, or that would have been required had that information been provided after the effective date, has been provided to AEMO; and
  - (c) the information registered by AEMO is correct.

## **16 Gas days to which Part 20 applies**

- (1) Unless otherwise specified in this Part, the first STTM gas day is the first gas day in respect of which an obligation under Part 20 of the rules applies.
- (2) Where a provision of Part 20 requires a thing to be done in respect of the first STTM gas day or any subsequent gas day, that thing must be done in accordance with the relevant provision, even if the gas day on which it is done occurs before the first STTM gas day.

### **Example**

Submissions under rule 410 in respect of the first STTM gas day must be made on and from the gas day that is 3 gas days before the first STTM gas day.

## **17 First billing period**

The first billing period commences on the first STTM gas day and ends at the end of the gas day commencing on the last day of the calendar month in which the first STTM gas day occurs.

## **18 Market Operator Service**

- (1) For the MOS period beginning on the first STTM gas day, rules 397, 398 and 401 apply with the following modifications:
  - (a) AEMO must publish its estimate under rule 397(1) no later than 20 business days before the start of that MOS period; and
  - (b) AEMO may publish updated estimates under rule 397(2) at any time up to 20 business days before the start of that MOS period; and
  - (c) AEMO must publish a notice under rule 398(1) no later than 20 business days before the start of that MOS period; and
  - (d) for the purposes of rule 398(2)(b), the date specified by AEMO must be no later than 10 business days before the start of that MOS period; and
  - (e) AEMO must publish the MOS stack and make information available to STTM pipeline operators under rule 401(2) no later than 5 business days before the commencement of that MOS period.
- (2) An estimate or notice published by AEMO before the commencement of Part 20 of the rules that:
  - (a) is expressed to apply to the MOS period beginning on the first STTM gas day; and
  - (b) complies with the requirements of rule 397 or rule 398 as modified by subclause (1),

is taken to have been published under subclause (1).

## **19 Ex ante offers, ex ante bids and price taker bids**

- (1) An ex ante offer, ex ante bid or price taker bid that:
  - (a) is submitted by a Trading Participant during the market trial but before the effective date; and
  - (b) is for the first STTM gas day or a subsequent gas day; and
  - (c) would have complied with the applicable requirements of rule 406 had it been submitted after the effective date,

is taken to have been submitted under rule 410, and will be a valid ex ante offer, ex ante bid or price taker bid (as applicable) for that gas day.

- (2) A multiple-day offer or bid that:
- (a) is submitted by a Trading Participant during the market trial but before the effective date; and
  - (b) includes an ex ante offer or ex ante bid for the first STTM gas day or a subsequent gas day; and
  - (c) would have complied with rule 412 had it been submitted after the effective date,

is taken to have been submitted under rule 412, and will be a valid ex ante offer or ex ante bid for those gas days.

## **20 Allocations**

- (1) An allocation agent for an STTM facility must provide the first allocation notice to AEMO under rule 419(1) on the gas day after the first STTM gas day (in respect of the first STTM gas day).
- (2) An allocation agent for a registered facility service must provide the first allocation notice to AEMO under rule 420(2) on the gas day after the first STTM gas day (in respect of the first STTM gas day).
- (3) An allocation agent for an STTM pipeline must provide the first MOS step allocation to AEMO under rule 421(7) on the gas day after the first STTM gas day (in respect of the first STTM gas day).
- (4) AEMO must determine the first STTM distribution system allocation under rule 422(1) on the gas day after the first STTM gas day (in respect of the first STTM gas day).

## **21 MOS allocation service costs**

- (1) An STTM pipeline operator must give AEMO its estimate for MOS allocation service costs:
  - (a) for the period before the STTM commencement date; and
  - (b) for the period from the STTM commencement date to 30 June 2011,no later than the STTM commencement date.
- (2) An estimate given in accordance with subrule (1) is taken to be an estimate given by the STTM pipeline operator under rule 424(1).

- (3) An STTM pipeline operator must not issue a tax invoice under rule 424(4) before 1 July 2011.
- (4) Any tax invoice issued by an STTM pipeline operator under rule 424(4) in respect of the financial year ending on 30 June 2011 may also include MOS allocation service costs incurred in the financial year ending on 30 June 2010, whether before or after the STTM commencement date.

## **22 Ex post imbalance price**

AEMO must publish the first ex post imbalance price under rule 426(1) on the gas day after the first STTM gas day (in respect of the first STTM gas day).

## **23 Contingency gas trigger event**

A person is not required to comply with Division 8, Subdivision 2 unless a contingency gas trigger event is expected to affect the first STTM gas day or any subsequent gas day.

## **24 Participant compensation fund**

For the purposes of rule 452, the funding requirement for a participant compensation fund does not apply for a financial year prior to the financial year ending on 30 June 2011.

## **25 Amount of security**

For the purposes of rule 480(1) in respect of the first financial year, AEMO must, no later than 15 business days before the first STTM gas day, determine and provide written confirmation to each Trading Participant of that Trading Participant's minimum exposure, calculated as AEMO's reasonable estimate of the participant fees payable by the Trading Participant to AEMO in respect of a billing period in the first financial year.

## **26 Matched allocation agreements**

- (1) In this clause 26, "Amending Rule commencement date" means the date the National Gas Amendment (Matched allocation process in the STTM) Rule 2015 commences operation.
- (2) Any matched allocation agreement that is registered with AEMO immediately prior to the Amending Rule commencement date is deemed to have been registered by AEMO under rule 500A.

**27 [Deleted]**

**28 Consultation and publication before the effective date**

- (1) If a provision of these rules requires AEMO to consult on any matter with, or make available any thing to, all or any of:
  - (a) Registered participants, where the matter or thing relates solely to the STTM;
  - (b) Trading Participants;
  - (c) STTM facility operators;
  - (d) STTM distributors;
  - (e) allocation agents,

AEMO is taken to have complied with that requirement if it has, before the effective date, consulted on that matter with, or made that thing available to, persons who AEMO considers are likely to be Trading Participants, STTM facility operators, STTM distributors or allocation agents (as applicable) on or shortly after the STTM commencement date.

- (2) If AEMO has, before the effective date, published any thing that is required to be published under a provision of these rules, AEMO is taken to have published that thing in accordance with the relevant provision of these rules.

**29 Commencement of STTM at Brisbane hub**

- (1) The STTM will operate at the Brisbane hub on and from the Brisbane hub commencement date.
- (2) Unless otherwise specified in this clause, the first Brisbane hub gas day is the first gas day in respect of which an obligation under Part 20 of the rules applies in respect of the Brisbane hub.
- (3) Clauses 16(2), 17, 18, 20, 22, 23 and 25 apply in respect of the Brisbane hub as if:
  - (a) references to the STTM commencement date were to the Brisbane hub commencement date; and
  - (b) references to the effective date were to the Queensland effective date; and
  - (c) references to the first STTM gas day were to the first Brisbane hub gas day; and
  - (d) references to the first financial year were to the first Brisbane hub financial year; and
  - (e) references to the market trial were to the Brisbane hub market trial.



- (4) For the purposes of rule 424(1), an STTM pipeline operator that wishes to recover its MOS allocation service costs in respect of the Brisbane hub for the first Brisbane hub financial year must give AEMO an estimate of those costs no later than the Brisbane hub commencement date.
- (5) Any estimate or tax invoice issued by an STTM pipeline operator under rules 424(1) or 424(4) in respect of the first Brisbane hub financial year may also include MOS allocation service costs incurred in respect of the Brisbane hub before the Brisbane hub commencement date.
- (6) For the purposes of rule 452, the funding requirement for the participant compensation fund at the Brisbane hub does not apply for the first Brisbane hub financial year if the first Brisbane hub financial year is less than 6 months.

## **Part 4                      Transitional provisions consequent on the National Gas Amendment (Short Term Trading Market - Market Schedule Variation) Rule 2011**

### **30                      Definitions**

- (1) Terms defined in rule 364 have the same meaning when used in this Part.
- (2) In this Part:

**commencement date** means the 13 October 2011.

**new rules 423(1), 423(5)(b)(i) and 423(6)** mean rules 423(1), 423(5)(b)(i) and 423(6) of the rules after the commencement date.

**old rules 423(1), 423(5)(b)(i) and 423(6)** means rules 423(1), 423(5)(b)(i) and 423(6) of the rules as in force immediately before the commencement date.

### **31                      Purpose**

The purpose of this Part is to enable the efficient and effective transfer of the relevant time periods for the provision and confirmation of proposed market schedule variations from the rules to the STTM Procedures.

### **32                      Time period for the provision of proposed market schedule variations**

- (1) From the commencement date to the date on which the STTM Procedures are amended to specify the time periods for the provision and confirmation of proposed market schedule variations:
  - (a) old rules 423(1), 423(5)(b)(i) and 423(6) continue to apply; and
  - (b) new rules 423(1), 423(5)(b)(i) and 423(6) have no effect.

## **Part 5**

# **Transitional provisions consequent on the National Gas Amendment (Price and Revenue Regulation of Gas Services) Rule 2012**

### **33 Definitions**

In this Part:

**next access arrangement revision proposal**, for a service provider, means an *access arrangement revision proposal* that is first submitted by that service provider after the commencement of the National Gas Amendment (Price and Revenue Regulation of Gas Services) Rule 2012.

### **34 Modification of rule 52(3)**

Rule 52(3) is varied so as to provide that the period for submitting an *access arrangement revision proposal* under rule 52 may be extended by the AER by a period (or aggregate period) of no more than 18 months with respect to the next access arrangement revision proposal that is required to be submitted by the relevant service provider for:

- (1) the Mid-West and South-West Gas Distribution System;
- (2) the Goldfields Gas Pipeline; and
- (3) the ACT, Queanbeyan and Palerang gas distribution network.

### **35 Extension of time**

- (1) The AER must exercise its power under rule 52(3) (as modified by clause 34 of this Schedule 1) to extend the period for submitting the next access arrangement revision proposal for the Mid-West and South-West Gas Distribution System to the date that is 3 months after the date the first *rate of return guidelines* are published under rule clause 37 of this Schedule 1.
- (2) The AER must exercise its power under rule 52(3) (as modified by clause 34 of this Schedule 1) to extend the period for submitting the next *access arrangement revision proposal* for the Goldfields Gas Pipeline (including any *access arrangement revision proposal* that is required to be submitted due to the occurrence of a trigger event under rule 51) to the date that is 6 months after the date the first *rate of return guidelines* are published under rule clause 37 of this Schedule 1.
- (3) The AER must exercise its power under rule 52(3) (as modified by clause 34 of this Schedule 1) to extend the period for submitting the next access arrangement revision proposal for the ACT, Queanbeyan and Palerang gas distribution network to 30 June 2015.

### **36 Modification of rule 92(3)**

If a trigger event occurs under the access arrangement for the Goldfields Gas Pipeline before the next access arrangement revision proposal is submitted, then in applying rule 92(3), the "interval of delay" is the period between the date that is 12 months after the date that the *review submission date* advances to, by virtue of the operation of rule 51(1) and that access arrangement, and the date on which revisions to the access arrangement actually commence.

### **37 Rate of return guidelines**

- (1) The AER must make and publish on its website the first *rate of return guidelines* by 29 November 2013.
- (2) By no later than 21 December 2012, the AER must publish on its website a paper that sets out:
  - (a) a schedule setting out the key dates and milestones for the making of the first *rate of return guidelines* by the date specified in paragraph (1); and
  - (b) the specific consultation procedure that the AER will follow in making the first *rate of return guidelines*, which must be consistent with the *rate of return consultative procedure*.

## **Part 6 Transitional Provisions consequent on the National Gas Amendment (STTM Brisbane Participant Compensation Fund) Rule 2013**

### **38 Commencement of amendments to funding requirements for participant compensation fund for Brisbane hub**

- (1) For the purposes of rules 452(4) and (5), the funding requirement, as amended by the National Gas Amendment (STTM Brisbane Participant Compensation Fund) Rule 2013 (**Amending Rule**), is to be used, including for the calculation of the contribution rate, for the financial year commencing 1 July 2013.
- (2) despite the Amending Rule, for the purposes of rule 452(6), from the date the amending Rule commences operation until 1 July 2013, the contribution rate for the purposes of that rule is the contribution rate calculated for the financial year ended 30 June 2013.

## **Part 7**

# **Transitional Provisions consequent on the National Gas Amendment (MOS timing and eligibility) Rule 2013**

### **39 Definitions**

- (1) Unless otherwise specified, terms defined in rule 364 have the same meaning when used in this Part.

- (2) In this Part:

**commencement date** means 1 April 2014.

**new rules 396, 397, 398, 401** means rules 396, 397, 398, 401 of the rules after the commencement date.

**new MOS period definition** means the definition of "MOS period" in rule 364 after the commencement date.

**old rules 396, 397, 398, 401** means rules 396, 397, 398, 401 of the rules before the commencement date.

**old MOS period definition** means the definition of "MOS period" in rule 364 before the commencement date.

### **40 Commencement of amendments to MOS timing**

- (1) From the commencement date to the end of the gas day on 31 May 2014:
- (a) old rule 396 and old MOS period definition continue to apply in respect of a MOS period commencing before the end of the gas day on 31 May 2014; and
  - (b) new rule 396 and new MOS period definition only have effect in respect of a MOS period commencing after the end of the gas day on 31 May 2014.
- (2) From the commencement date to the date on which the STTM Procedures are amended to specify the time periods for the publication and provision of estimates, notices and information for MOS:
- (a) old rules 397, 398(2)(b), 401(2) (but not 401(2)(b)) continue to apply;
  - (b) new rules 397, 398(2)(b) and 401(2) have no effect; and
  - (c) new rule 398(1) applies as if the reference to "within the time period specified in the STTM Procedures" is a reference to "no later than 40 business days before".

## **Part 8 Transitional Provisions consequent on the National Gas Amendment (DWGM – AMDQ Allocation) Rule 2016**

### **41 Definitions**

- (1) Unless otherwise specified, terms defined in rule 200 have the same meaning when used in this Part.
- (2) In this Part:

**Amending Rule** means the National Gas Amendment (DWGM – AMDQ Allocation) Rule 2016.

**current access arrangement** means an access arrangement applying to the declared transmission system service provider with respect to the declared transmission system and which is in force on 24 March 2016.

**effective date** means 25 October 2016.

**existing DWGM rules** means Part 19 as in force immediately prior to the effective date.

**old rule 330(6)** means rule 330(6) as in force immediately prior to the effective date.

### **42 AMDQ credit certificate auction procedures**

By no later than 30 September 2016, AEMO must make the AMDQ credit certificates auction procedures under rule 329G(5) of the Amending Rule in accordance with Part 15B.

### **43 AMDQ auction procedures**

With effect from the effective date, the AMDQ auction procedures made under old rule 330(6) are taken to be the Authorised MDQ auction procedures made under rule 329F(5) of the Amending Rule.

### **44 AMDQ credit certificate register**

By no later than 30 September 2016, AEMO must prepare the register of AMDQ credit certificates under rule 327A(2) of the Amending Rule.

### **45 Directions to allocate AMDQ credit certificates before the effective date**

A direction by the declared transmission system service provider to AEMO to allocate AMDQ credit certificates under rule 329(4) of the existing DWGM rules that is made after 24 March 2016 but before the effective date will have no force or effect if the period specified for the AMDQ credit certificates is a period that

ends after the revision commencement date specified in the current access arrangement.

#### **46 Existing AMDQ credit certificates**

Nothing in the Amending Rule affects the rights associated with AMDQ credit certificates allocated prior to 24 March 2016.

### **Part 9 Transitional provisions consequent on the National Gas Amendment (Retailer Distributor Credit Support Requirements) Rule 2017 No. 1**

#### **47 Definitions**

For the purposes of this Part 9:

**Amending Rule** means the National Gas Amendment (Retailer Distributor Credit Support Requirements) Rule 2017 No. 1.

**effective date** means 9 February 2017.

**new Division 4 of Part 21** means Division 4 of Part 21 of the National Gas Rules and all related definitions in the National Gas Rules as in force immediately before the effective date.

**old Division 4 of Part 21** means Division 4 of Part 21 of the National Gas Rules and all related definitions in the National Gas Rules as in force immediately before the effective date.

#### **48 Continued operation of old Division 4 of Part 21**

The *credit support* rules in old Division 4 of Part 21 continue to apply to any *credit support* held by a *distributor* immediately before the effective date.

#### **49 Interaction with rule 520**

- (a) For the purposes of 520(2)(c) of the Amending Rule, *credit support* means where the context requires:
- (1) any *credit support* held by a *distributor* under the old Division 4 of Part 21; and/or
  - (2) any *credit support* held by a *distributor* under new Division 4 of Part 21.

#### **50 Application of new Division 4 of Part 21**

For the avoidance of doubt, “the previous 12 months” referred to in rule 514(1) of new Division 4 of Part 21 may include months prior to the effective date.

## **Part 10**                      **Transitional provisions consequent on the National Gas Amendment (Improvements to Natural Gas Bulletin Board) Rule 2017 No 3**

### **51**                      **Definitions**

For the purposes of this Part 10:

**Amending Rule** means the *National Gas Amendment (Improvements to Natural Gas Bulletin Board) Rule 2017 No 3*.

**new Part 18** means Part 18 as amended by the Amending Rule.

**new BB Procedures** means BB Procedures developed and made for the purposes of new Part 18.

### **52**                      **New BB Procedures**

AEMO must in accordance with Part 15B develop and publish the new BB Procedures by 30 April 2018.

## **Part 11**                      **Transitional provisions regarding cross period smoothing for Jemena Gas Networks**

### **53**                      **Definitions**

For the purposes of this Part 11:

**2015 access arrangement decision** means the decision of the AER, published on 3 June 2015, to approve revisions to the access arrangement in respect of Jemena for the 2015 access arrangement period.

**2015 access arrangement period** means the *access arrangement period* for the NSW gas distribution network owned by Jemena commencing on 1 July 2015.

**adjustment amount** means an amount determined by the AER under subclause 56(1) that operates as if it were:

- (a) a revenue increase; or
- (b) a revenue decrease,

to that portion of the total revenue that is allocated to reference services that may be earned by Jemena for the final regulatory year of the 2015 access arrangement period as determined under the remade 2015 access arrangement decision.

**adjustment determination** means the AER's determination of whether there is, and the relevant amounts of, an adjustment amount and a subsequent adjustment amount.

**annual variation notice** means the annual variation notice referred to in the remade 2015 access arrangement decision.

**Jemena** means Jemena Gas Networks (NSW) Limited (ABN 87 003 004 322).

**remade 2015 access arrangement decision** means the decision of the AER to approve revisions to the access arrangement in respect of Jemena for the 2015 access arrangement period, as remade by the AER following the Tribunal's decision.

**revenue recovery principle** means the principle that Jemena must be given the ability to recover the same, but no more, revenue (in net present value equivalent terms) as it would have recovered if the remade 2015 access arrangement decision had been in force from the commencement of the 2015 access arrangement period.

**subsequent access arrangement decision** means the access arrangement decision for Jemena that is made by the AER for the subsequent access arrangement period.

**subsequent access arrangement period** means the *access arrangement period* for Jemena immediately following the 2015 access arrangement period.

**subsequent adjustment amount** means an amount determined by the AER under subclause 56(1) that:

- (a) represents a revenue increase (where the adjustment amount is a negative amount) or a revenue decrease (where the adjustment amount is a positive amount) to that portion of the total revenue that is allocated to reference services that may be earned by Jemena in one or more regulatory years of the subsequent access arrangement period; and
- (b) at the time it is applied as an adjustment to that portion of total revenue that is allocated to reference services, is equivalent in net present value terms to the adjustment amount in order to achieve the revenue recovery principle in respect of Jemena.

**Tribunal's decision** means the decision of the Australian Competition Tribunal dated 26 February 2016 to set aside the 2015 access arrangement decision and remit the matter back to the AER, as varied as a consequence of the outcome of judicial review of that decision.

## 54 Expiry

- (1) If the AER has not made an adjustment determination on or before 1 March 2019, this Part 11 expires on that date.
- (2) If the AER has made an adjustment determination on or before 1 March 2019, this Part 11 expires on the date that immediately follows the end of the subsequent access arrangement period.



## **55 Application of Part 11**

- (1) This Part 11 applies to Jemena in respect of the NSW gas distribution network owned by Jemena.
- (2) This Part 11 prevails to the extent of any inconsistency with:
  - (a) any other provision of the Rules; and
  - (b) a remade 2015 access arrangement decision.
- (3) Nothing in this Part 11 has the effect of changing the application of the Rules to the making of a remade 2015 access arrangement decision.

## **56 Adjustment determination**

- (1) The AER may determine for Jemena:
  - (a) an adjustment amount; and
  - (b) a subsequent adjustment amount,if the AER is satisfied that the application of the adjustment amount and subsequent adjustment amount under subclause 57(2) and 57(3) respectively would:
  - (c) be reasonably likely to minimise variations in reference tariffs for Jemena between:
    - (i) the fourth and final regulatory year of the 2015 access arrangement period; and
    - (ii) the final regulatory year of the 2015 access arrangement period and the first regulatory year of the subsequent access arrangement period; and
  - (d) achieve the revenue recovery principle in respect of Jemena.

### **Note**

When determining the adjustment amount and the subsequent adjustment amount, the AER must also take into account the national gas objective and may take into account the revenue and pricing principles if the AER considers it appropriate to do so: see *National Gas Law*, s 28(1)(a) and s 28(2)(b).

## **57 Recovery of revenue**

- (1) This clause 57 applies to Jemena if the AER has made a determination of an adjustment amount and subsequent adjustment amount under clause 56.

- (2) Jemena must submit an annual variation notice for the final regulatory year of the 2015 access arrangement period in accordance with the remade 2015 access arrangement decision.
- (3) Subject to this clause 57, the annual variation notice is to be assessed in accordance with the procedure specified in the remade 2015 access arrangement decision.
- (4) The AER must approve the reference tariffs specified in the annual variation notice if they are compliant with the reference tariff variation mechanism specified in the remade 2015 access arrangement decision, subject to adjustments to provide for the recovery of:
  - (a) where the applicable adjustment amount operates as if it were a revenue increase:
    - (i) the portion of total revenue allocated to reference services for the final regulatory year under the remade 2015 access arrangement decision; plus
    - (ii) the adjustment amount; or
  - (b) where the applicable adjustment amount operates as if it were a revenue decrease:
    - (i) the portion of total revenue allocated to reference services for the final regulatory year under the remade 2015 access arrangement decision; minus
    - (ii) the adjustment amount.
- (5) The AER must include the subsequent adjustment amount determined under subclause 56(1) as:
  - (a) if subclause 57(2)(a) applies, a revenue decrease; or
  - (b) if subclause 57(2)(b) applies, a revenue increase,to the portion of total revenue allocated to reference services in one or more regulatory years of the subsequent access arrangement period subject to the revenue recovery principle.
- (6) Any subsequent adjustment amount included as a revenue increase or revenue decrease under subclause 57(5) must not be considered by the AER when determining whether any amount is payable or recoverable by Jemena under any incentive mechanism that applies to it in respect of the subsequent access arrangement period.

## **58 Requirements for adjustment determination**

The AER must in respect of an adjustment determination made for Jemena:

- (1) make the adjustment determination after consulting with Jemena and any other persons as the AER considers appropriate;
- (2) publish its adjustment determination; and
- (3) include in its adjustment determination, the reasons for the AER's determination:
  - (a) of the adjustment amount and the subsequent adjustment amount; or
  - (b) not to determine an adjustment amount and subsequent adjustment amount.

## **59 Application of Parts 8 and 9 of the Rules**

- (1) Except as otherwise specified in this Part 11, Parts 8 and 9 of the Rules applies to:
  - (a) the remainder of the 2015 access arrangement period; and
  - (b) the making of the subsequent access arrangement decision, in respect of Jemena.
- (2) If clause 56 applies:
  - (a) the reference to 'the portion of total revenue allocated to reference services' in subrule 92(2)(b) will take into account the subsequent adjustment amount for the subsequent access arrangement period either as a revenue decrease or revenue increase, as applicable under rule 57(5);
  - (b) for the purposes of subrule 93(1), the subsequent adjustment amount will not be taken into account in determining total revenue to be allocated between reference and other services for the subsequent access arrangement decision; and
  - (c) subrule 94(3) and (4) do not apply to the extent that Jemena's tariffs would not comply with those subrules due to the application of this Part 11.

## **Part 12 Transitional provisions consequent on the National Gas Amendment (Regulation of covered pipelines) Rule 2019**

### **60 Definitions**

For the purposes of this Part 12:

**Amending Rule** means the National Gas Amendment (Regulation of covered pipelines) Rule 2019.

**commencement date** means the commencement date of schedule 1 of the Amending Rule.

**modified rule 48** means rule 48 as set out in subrule 61(5) below.

**new rule 46, 47A and 48** means rule 46, 47A and 48 each as in force immediately after the commencement date.

**next access arrangement period** means, for a transitional pipeline or the Mid-West and South-West Gas Distribution Systems, the period that commences on a *revision commencement date for an applicable access arrangement* that occurs after the commencement date.

**old rule 46** means rule 46 as in force immediately before the commencement date.

**reference service factors** means the factors in subrule 47A(15) of the Amending Rule.

**transitional pipeline** means:

- (a) the Goldfields Gas Pipeline (WA); and
- (b) the NSW Gas Network (otherwise known as Jemena Gas Network); and
- (c) the Dampier to Bunbury Natural Gas Pipeline,

each as described in the Scheme Register maintained by the AEMC under Part 15 of the *NGL*.

## **61 Application of Amending Rule to Mid-West and South-West Gas Distribution Systems**

- (1) The amendments to Parts 8, 9 and 10 of the Rules made by the Amending Rule does not apply to the Mid-West and South-West Gas Distribution Systems in respect of the access arrangement for that pipeline for the next access arrangement period.

## **62 Application of Amending Rule to transitional pipelines**

- (1) The application of the Amending Rule to the transitional pipelines is modified under this rule 62.
- (2) New rule 46, 47A and 48 do not apply to the transitional pipelines in respect of the access arrangement for the next access arrangement period.
- (3) Old rule 46 applies to the transitional pipelines in respect of the *access arrangement* for the next access arrangement period.
- (4) Modified rule 48 applies to the transitional pipelines in respect of the *access arrangement* for the next access arrangement period.
- (5) Modified rule 48 is:

**“48 Requirements for full access arrangement (and full access arrangement proposal)**

- (1) A full access arrangement must:
- (a) identify the pipeline to which the access arrangement relates and include a reference to a website at which a description of the pipeline can be inspected; and
  - (b) describe all of the pipeline services that the service provider can reasonably provide on the pipeline, which must be described having regard to the characteristics of different pipeline services, including those listed in subrule 47A(2) of the Amending Rule; and
  - (c) from the pipeline services identified under subrule (b), specify the services the service provider proposes to specify as reference services having regard to the reference service factors including any supporting information required by the AER; and
  - (d) if the pipeline service provider has engaged with pipeline users and end users in identifying the reference services under subrule (c), describe any feedback received from those users about which pipeline services should be specified as reference services; and
  - (e) specify for each reference service:
    - (i) the reference tariff; and
    - (ii) the other terms and conditions on which each reference service will be provided; and
  - (f) if the access arrangement is to contain queuing requirements – set out the queuing requirements; and

**Note:**

Queuing requirements are necessary if the access arrangement is for a transmission pipeline but, if the pipeline is a distribution pipeline, queuing requirements are not necessary unless the AER has given prior notification of the need to include queuing requirements (See rule 103).

- (g) set out the capacity trading requirements; and
- (h) set out the extension and expansion requirements; and
- (i) state the terms and conditions for changing receipt and delivery points; and
- (j) if there is to be a *review submission date* – state the *review submission date* and the revision commencement date; and

**Note:**

A full access arrangement must contain a *review submission date* and a revision commencement date unless it is a voluntary access arrangement – See rule 49.

- (k) if there is to be an *expiry date* – state the *expiry date*.

**Note:**

A full access arrangement may contain an *expiry date* if it is a voluntary access arrangement (but not otherwise) – See rule 49.

- (2) This rule extends to an *access arrangement proposal* consisting of a proposed full access arrangement.”

### **63 Initial financial reporting guidelines for light regulation pipelines**

- (1) The AER must publish the initial financial reporting guidelines under rule 36F no later than 31 October 2019.
- (2) Subject to subrule (3), before publishing the initial financial reporting guidelines, the AER may consult on a draft by:
- (a) publishing the draft on its website and inviting comments on the draft within a specified time; and
  - (b) considering any comments on that draft provided within the specified time before publishing the initial financial reporting guidelines.
- (3) In determining whether to consult under subrule (2), the AER may take into account consultation by the AER or any other person undertaken in the development of the draft initial financial reporting guidelines.

### **64 Initial financial reporting and average weighted prices**

- (1) This rule applies to the service provider for a light regulation pipeline that is a light regulation pipeline on the commencement date or that becomes a light regulation pipeline at any time before 31 October 2019.
- (2) Subject to subrule (3), where this rule applies, the service provider must first prepare and publish the financial information under rule 36D and average weighted price information under rule 36E for its light regulation pipelines for the financial year for the service provider that ends after 31 December 2019.
- (3) Rules 36E(3) and (4) apply to the obligation to publish initial weighted average price information under subrule (2).

### **65 Provision of information for pipeline register**

- (1) This rule applies to the service provider for a non-scheme pipeline that is a non-scheme pipeline on the commencement date.

- (2) The service provider for a non-scheme pipeline must give the information under rule 133(3) of the Amending Rule to the AEMC no later than 6 weeks after the commencement date.

## **Schedule 2      [Deleted]**



## Schedule 3 Transitional Provisions for implementation of National Retail Framework

### Part 1 Interim gas connection rules for NSW

#### 1 Application

- (1) During the transition period:
  - (a) Part 12A applies to, and in relation to, a NSW gas *distributor*, subject to the exclusions, qualifications and modification prescribed by this Part; and
  - (b) Part 21 does not apply in NSW.
- (2) However, Part 12A and Part 21 operate without the exclusions, qualifications and modifications prescribed by this Part insofar as they relate to a period beyond the transition period.

#### Example

A NSW gas *distributor* is required to submit model standing offers in accordance with Part 12A for the period that follows on the *distributor's* transition period and is bound by the relevant provisions in Part 12A (without exclusion, qualification or modification) in relation to the model standing offers even though the proposals are submitted during the transition period.

#### 2 Definitions

In this Part:

**access arrangement** has the same meaning as in the *NGL*.

**current access arrangement** means an access arrangement applying to a NSW gas *distributor* with respect to pipelines located in NSW and which is in force on the start date.

**expiry date** means the date when the current access arrangement no longer applies.

**interim NSW gas connection rules** means the rules prescribed in this Part.

**NSW gas distributor** means a service provider within the meaning of the *NGL* that holds a reticulator's authorisation under the *Gas Supply Act 1996* of New South Wales in respect of a pipeline located in NSW, excluding ActewAGL Distribution (partnership of ACTEW Distribution Ltd ACN 073 025 224 and Jemena Networks (ACT) Pty Ltd ACN 008 552 663).

**reference services agreement** means a contract between a user and a NSW gas *distributor*, under the relevant current access arrangement, whether described as:

- (a) a reference service agreement;

- (b) a standard user agreement;
- (c) a service agreement; or
- (d) a gas transportation agreement.

**start date** means the date when these interim NSW gas connection rules come into operation.

**transition period** means the period from the start date to the *expiry date*.

### 3 Gas connection for retail customers—modifications to definitions in Part 12A

- (1) During the transition period, the definitions in rule 119A are replaced with the following definitions:

**basic connection service** means a service involved in providing a connection between a distribution pipeline and a *retail customer's* premises where the provision of the service involves minimal or no extension to, or augmentation of, the distribution pipeline.

**connection applicant** means an applicant for a connection service by 1 of the following categories

- (a) a *retailer* for or on behalf of a *retail customer*;
- (b) a licensed plumber;
- (c) a licensed builder;
- (d) a real estate developer.

**connection charges criteria** – see rule 7.

**connection offer** means an offer by a NSW gas *distributor* to enter into a connection contract with:

- (a) a *retailer* for or on behalf of a *retail customer*;
- (b) a licensed plumber;
- (c) a licensed builder; or
- (d) a real estate developer.

**model standing offer** means a document prepared by the NSW gas *distributor* as a model standing offer to provide basic connection services or as a model standing offer to provide standard connection services.

**standard connection service** means a connection service (other than a basic connection service) for a particular class of connection applicant.

- (2) Unless modified under this rule 3, terms used in this Part have the same meaning as in Part 12A.

#### **4 Approval of terms and conditions of model standing offer to provide basic connection services**

During the transition period:

- (1) subrules 119C(1), 119C(3) and 119D do not apply to a model standing offer for basic connection services; and
- (2) subrules 119E(1), 119E(2), 119E(4) and 119F do not apply to a model standing offer for standard connection services; and
- (3) a NSW gas *distributor* may prepare different sets of terms and conditions for different classes of standard connection services or different classes of *retail customers*.

#### **5 Amendment of model standing offer**

During the transition period:

- (1) rule 119G does not apply to a model standing offer for basic connection services or standard connection services; and
- (2) a NSW gas *distributor* may amend a model standing offer to provide basic connection services or standard connection services; and
- (3) the amendment of a model standing offer under subrule (2) does not affect the validity or effect of:
  - (a) a connection offer made before the amendment takes effect; or
  - (b) a connection contract formed on the basis of such a connection offer.

#### **6 Publication of model standing offer**

During the transition period, rule 119H does not apply, but a NSW gas *distributor* must publish on its website, each of its model standing offers to provide a basic connection service or a standard connection service.

#### **7 Connection charges**

During the transition period, Division 4 of Part 12A does not apply, but connection charges imposed under Part 12A must be consistent with the NSW gas *distributor's* current access arrangement and any applicable reference services agreement.

## **8 Application process**

During the transition period, subrule 119R(2) does not apply, and an application for a connection service may be made by a connection applicant.

## **9 Acceptance of connection offer**

During the transition period, subrule 119W(2)(b) does not apply.

## **10 Dispute resolution**

During the transition period:

- (1) for the purposes of Division 7 of Part 12A, the definition of customer does not apply; and
- (2) the term ‘customer’ is replaced by ‘connection applicant’; and
- (3) subrule 119Z(1)(b)(ii) is modified to omit the words ‘as approved by the AER’.

## **11 Transitional arrangements after expiry date**

A transaction commenced by or with a NSW gas *distributor* during the transition period may be continued and completed after the transition period without regard to changes to the rules governing the transaction, that take effect after the *expiry date*.

# **Part 2 Interim gas connection rules for the Australian Capital Territory**

## **1 Application**

- (1) During the transition period, Part 12A applies to, and in relation to, the ACT gas *distributor*, subject to the exclusions, qualifications and modification prescribed by this Part.
- (2) However, Part 12A operates without the exclusions, qualifications and modifications prescribed by this Part insofar as they relate to a period beyond the transition period.

### **Example**

The ACT gas *distributor* is required to submit model standing offers in accordance with Part 12A for the period that follows on the *distributor's* transition period and is bound by the relevant provisions in Part 12A (without exclusion, qualification or modification) in relation to the model standing offers even though the proposals are submitted during the transition period.

## **2 Definitions**

In this Part:

**access arrangement** has the same meaning as in the *NGL*.

**ACT gas distributor** means ActewAGL Distribution (partnership of ACTEW Distribution Ltd ACN 073 025 224 and Jemena Networks (ACT) Pty Ltd ACN 008 552 663).

**current access arrangement** means an access arrangement applying to the ACT gas *distributor* which is in force on the start date.

**expiry date** means the date when the current access arrangement no longer applies.

**interim ACT gas connection rules** means the rules prescribed in this Part.

**start date** means the date when these interim ACT gas connection rules come into operation.

**transition period** means the period from the start date to the *expiry date*.

**Transport Services Agreement** has the same meaning as in the current access arrangement.

### **3 Gas connection for retail customers—modifications to definitions in Part 12A**

- (1) During the transition period, the definitions in rule 119A are replaced with the following definitions:

**basic connection service** means a service involved in providing a connection between a distribution pipeline and a *retail customer's* premises where the provision of the service involves minimal or no extension to, or augmentation of, the distribution pipeline.

**connection applicant** means an applicant for a connection service by 1 of the following categories:

- (a) a *retailer* for or on behalf of a *retail customer*; or
- (b) a real estate developer.

**connection charges criteria** – see rule 7.

**connection offer** means an offer by the ACT gas *distributor* to enter into a connection contract with:

- (a) a *retailer* for or on behalf of a *retail customer*; or
- (b) a real estate developer.

**model standing offer** means a document prepared by the ACT gas *distributor* as a model standing offer to provide basic connection services or as a model standing offer to provide standard connection services.

**standard connection service** means a connection service (other than a basic connection service) for a particular class of connection applicant.

- (2) Unless modified under rule 3, terms used in this Part have the same meaning as in Part 12A.

#### **4 Approval of terms and conditions of model standing offer to provide basic connection services**

During the transition period:

- (1) subrules 119C(1), 119C(3) and rule 119D do not apply to a model standing offer for basic connection services; and
- (2) subrules 119E(1), 119E(2), 119E(4) and rule 119F do not apply to a model standing offer for standard connection services; and
- (3) the ACT gas *distributor* may prepare different sets of terms and conditions for different classes of standard connection services or different classes of *retail customers*.

#### **5 Amendment of model standing offer**

During the transition period:

- (1) rule 119G does not apply to a model standing offer for basic connection services or standard connection services; and
- (2) the ACT gas *distributor* may amend a model standing offer to provide basic connection services or standard connection services; and
- (3) the amendment of a model standing offer under subrule (2) does not affect the validity or effect of:
  - (a) a connection offer made before the amendment takes effect;
  - (b) a connection contract formed on the basis of such a connection offer.

#### **6 Publication of model standing offer**

During the transition period, rule 119H does not apply, but the ACT gas *distributor* must publish on its website, each of its model standing offers to provide a basic connection service or a standard connection service.

#### **7 Connection charges**

During the transition period, Division 4 of Part 12A does not apply, but connection charges imposed under Part 12A must be consistent with:

- (1) the ACT gas *distributor's* current access arrangement;

- (2) the Gas Network Capital Contributions Code determined by the Independent Competition and Regulatory Commission under section 58 of the *Utilities Act 2000* (ACT); and
- (3) any applicable Transport Services Agreement.

## 8 Application process

During the transition period, subrule 119R(2) does not apply, and an application for a connection service may be made by a connection applicant.

## 9 Acceptance of connection offer

During the transition period, subrule 119W(2)(b) does not apply.

## 10 Dispute resolution

During the transition period, subrule 119Z(1)(b)(ii) is modified to omit the words ‘as approved by the AER’.

## 11 Transitional arrangements after expiry date

A transaction commenced by or with the ACT gas *distributor* during the transition period may be continued and completed after the transition period without regard to changes to the rules governing the transaction, that take effect after the *expiry date*.

# Part 3 Interim rules for Retail Market Procedures (Victoria)

## 1 Application

This Part applies in Victoria.

## 2 Definitions

In this Part:

**declared distribution system** has the same meaning as in the *National Gas (Victoria) Act 2008*.

**designated retailer** has the same meaning as in the *NERL*.

**failed retailer** has the same meaning as in the *NERL*.

**gas RoLR event** has the same meaning as in the *NERL*, to the extent that event:

- (a) applies to gas; and
- (b) affects customers in Victoria.

**local area retailer** has the same meaning as in the *NERL*.

**Victorian procedures** means the *Retail Market Procedures* made by AEMO under Part 15B and entitled '*Retail Market Procedures (Victoria)*'.

### **3 Victorian procedures apply subject to this Part**

The Victorian procedures apply subject to this Part if a gas RoLR event occurs on or before 30 June 2013.

### **4 Where customers of failed retailer not connected to a declared distribution system**

If the customers of a failed *retailer* include customers not connected to a declared distribution system, AEMO, the designated RoLR and the *distributor* must use reasonable endeavours to deliver information or data in relation to those customers within the periods required by Chapter 6 of the Victorian procedures.

### **5 Where failed retailer is a local area retailer**

If the failed *retailer* is a local area *retailer*, AEMO, the designated RoLR and the *distributor* must use reasonable endeavours to deliver information or data within the periods required by Chapter 6 of the Victorian procedures.

## **Part 4 Miscellaneous transitional rules**

### **1 Update of Delivery Point Registry**

- (1) This clause applies in respect of a default RoLR appointed by the AER under Part 6 of the *NERL* for gas customers located in the ACT.
- (2) Despite clause 8.1 of the '*Retail Market Procedures (NSW and ACT)*', AEMO may update standing data for all delivery points in the ACT, and include this data in the delivery point registry as required by Part B of the Procedures.

### **2 Extension of time period for AER to consider certain pass through applications**

- (1) This clause applies:
  - (a) to an application from a *distributor* for pass through of costs arising from the commencement of the *National Energy Retail Law*, the *National Energy Retail Rules*, the *National Energy Retail Regulations* and associated amendments to the *energy laws* as they apply in the State or Territory in which that *distributor* operates; and
  - (b) despite anything to the contrary in an access arrangement.



- (2) The time limit for the making of a determination by the AER is 100 business days from the date when the AER receives a complete application.

## **Schedule 4      Transitional Provisions and derogations for Pipeline Access – Arbitration Framework**

### **Part 1              Transitional**

#### **1              Initial financial reporting guidelines**

- (1) The AER must publish the initial financial reporting guidelines under rule 557(1) no later than 5 months after the date Part 23 commences.
- (2) Subject to subrule (3), before publishing the initial financial reporting guidelines, the AER may consult on a draft by:
  - (a) publishing the draft on its website and inviting comments on the draft within a specified time; and
  - (b) considering any comments on that draft provided within the specified time before publishing the initial financial reporting guidelines.
- (3) In determining whether to consult under subrule (2), the AER may take into account consultation by the AER or any other person undertaken in the development of the draft initial financial reporting guidelines.

#### **2              Initial financial reporting and average weighted prices**

- (1) This rule applies to the service provider for a non-scheme pipeline that is a non-scheme pipeline as defined in Part 23 on the date Part 23 commences or that becomes a non-scheme pipeline at any time before 31 January 2018.
- (2) Subject to subrule (3), where this rule applies, the service provider must prepare and publish the financial information under rule 555 and average weighted price information under rule 556 for its non-scheme pipelines as follows:
  - (a) where the financial year of the service provider current on 1 December 2017 ends on or before 30 June 2018, the last date for publication is 31 October 2018 for information covering the six month period ending on 30 June 2018; and
  - (b) where the financial year of the service provider current on 1 December 2017 ends after 30 June 2018, the last date for publication is 31 January 2019 for information covering the six month period ending on 30 September 2018.
- (3) Subrule (2) does not apply in respect of a non-scheme pipeline if the non-scheme pipeline is the subject of an exemption under Division 6 of Part 23 from the obligation to report under Division 2 of Part 23 and that exemption continues.
- (4) Rules 556(3) and (4) apply to the obligation to publish initial weighted average price information under subrule (2).

## Part 2 Derogation applicable to Northern Gas Pipeline

### 3 Northern Gas Pipeline

- (1) In this rule:
  - (a) **access principles** means the arrangements agreed between the service provider for the Northern Gas Pipeline and the Northern Territory Government under which a prospective user may gain access to pipeline services on the Northern Gas Pipeline; and
  - (b) **Northern Gas Pipeline** means the pipeline to be constructed between Tennant Creek in the Northern Territory and Mount Isa in Queensland the subject of Pipeline Licence 34 granted under the *Energy Pipelines Act 1981* of the Northern Territory and Pipeline Licence 2015 granted under the *Petroleum and Gas (Production and Safety) Act 2004* of Queensland, including any extension to, or expansion of the capacity of, that pipeline that is subject to the access principles.
- (2) Subject to subrule (3), for section 216C(2)(a) of the *NGL* and Part 23, the Northern Gas Pipeline is excluded from the operation of Chapter 6A of the *NGL*.
- (3) This rule expires on the 15th anniversary of the date the Northern Gas Pipeline is first commissioned.

## Part 3 Tasmanian fast track access disputes

### 4 Modified application of Part 23

- (1) In its application to and in relation to a relevant non-scheme pipeline, Part 23 applies subject to and as modified by this Part.
- (2) This Part expires on the first anniversary of the commencement date.
- (3) Any arbitration in relation to a non-scheme pipeline referred to in subrule (1) commenced before the expiry of this Part continues as if this Part had not expired.
- (4) In this Part, references to rules not contained in this Part are references to rules in Part 23.

### 5 Definitions

In this Part:

**access dispute** has the meaning in section 216A of the *NGL*.

**Tasmanian access dispute** means an access dispute about 1 or more aspects of access to a pipeline service provided by means of a relevant non-scheme pipeline.

**commencement date** has the meaning in Part 23.

**further investigations** has the meaning in Part 23.

**non-scheme pipeline** has the meaning in Part 23.

**prospective user** has the meaning in section 216B of the *NGL*.

**relevant access request** means a request to a service provider for a relevant non-scheme pipeline for access to pipeline services provided by means of the relevant non-scheme pipeline.

**relevant non-scheme pipeline** means a non-scheme pipeline any part of which is situated in the jurisdictional area of Tasmania and includes any part of that non-scheme pipeline situated outside the jurisdictional area of Tasmania.

## **6 Access requests before the commencement date**

- (1) A relevant access request made by a prospective user at any time before the commencement date is taken to be an access request made in accordance with the Rules for the purposes of Part 23 and section 216H(1) of the *NGL*.
- (2) Rule 560 does not apply to a relevant access request referred to in subrule (1).
- (3) If requested in a notice given by the prospective user after the commencement date, a service provider in receipt of a relevant access request referred to in subrule (1) must make an access offer that complies with the requirements of rule 560(3) within the time agreed by the prospective user and the service provider or if no time is agreed between them:
  - (a) unless paragraph (b) applies, within 20 business days after receiving the request under this subrule or if applicable, after receiving the information requested under subrule (4); and
  - (b) if the service provider is required to carry out further investigations in relation to the access request, within 60 business days after receiving the request under this subrule or if applicable, after receiving the information requested under subrule (4).
- (4) If a relevant access request referred to in subrule (1) does not include the information referred to in rule 559(3) and a notice is given by the prospective user under subrule (3), the service provider must notify the prospective user within 5 business days after the notice under subrule (3), specifying the information required to complete the relevant access request.

## **7 Notification of access dispute**

- (1) This rule applies to and in relation to all relevant access requests including those made on or after the commencement date.
- (2) A prospective user who makes a relevant access request or the service provider in receipt of a relevant access request may give an access dispute notice in relation to

a Tasmanian access dispute arising out of or in connection with the relevant access request at any time including:

- (a) in the period before or after:
    - (i) a notice from the prospective user is given under rule 6(3);
    - (ii) an access offer is made under rule 6(3);
    - (iii) in the case of a relevant access request made on or after the commencement date, an access offer is made under rule 560;
    - (iv) a notice (if any) is given under rule 561 requesting negotiations under Part 23;
    - (v) a notice (if any) is given under rule 562 requesting access negotiation information (including access offer information); and
    - (vi) further investigations in relation to the access request are undertaken; and
  - (b) while negotiations under Part 23 (or any other negotiations) continue.
- (3) Rule 562(6) does not apply to a Tasmanian access dispute.
- (4) To avoid doubt, rule 563(2) applies to a Tasmanian access dispute.

## **8 Reference to arbitration**

- (1) In the case of an access dispute notice for a Tasmanian access dispute, rule 565 is modified as follows:
- (a) each reference to “15 business days” is replaced with a reference to “7 business days”;
  - (b) the reference to “5 business days” in rule 565(2) is replaced with a reference to “2 business days”;
  - (c) each reference to “10 business days” is replaced with a reference to “5 business days”;
  - (d) rule 565(3)(a) does not apply;
  - (e) in rule 565(3)(b), the words “pool arbitrator” are replaced with “commercial arbitrator”; and
  - (f) the parties may agree and notify to the scheme administrator under rules 565(3)(c) a commercial arbitrator other than a pool arbitrator to determine the access dispute and if they do so within the time required under rules 565(2)(c) and 565(4) as modified by this rule, that commercial arbitrator is taken to be a pool arbitrator notified by the parties for the purposes of rules 565(4) and 565(5).

- (2) In the case of a Tasmanian access dispute, the term “arbitrator” in Part 23 includes a commercial arbitrator to whom the dispute has been referred for determination who is not a pool arbitrator.

## **9 Conduct of the arbitration**

- (1) The arbitrator for a Tasmanian access dispute must grant leave to the parties to the arbitration under rule 568(1) to submit in the arbitration and rely on access negotiation information of the party within the time determined by the arbitrator.
- (2) In determining the number of business days elapsed since the date the access dispute was referred to the arbitrator under rule 572(1), any day within a period allowed by the arbitrator for a party to the access dispute to prepare access negotiation information under subrule (1) must be disregarded.
- (3) To avoid doubt, a party may apply to the arbitrator for a Tasmanian access dispute for an interim determination at any time after the arbitrator is appointed and before any statements are given under rule 567.

## **Schedule 5      Transitional provisions for the introduction of the capacity trading reforms**

### **Part 1              Transitional arrangements for Part 15B**

#### **1              Definition**

In this Part, **Division 2D commencement date** means the date on which Division 2D of Part 6 of Chapter 2 of the *NGL* commences.

#### **2              Initial Procedures**

- (1) AEMO must make and publish the initial Capacity Transfer and Auction Procedures by 1 December 2018 or, if the Division 2D commencement date is after that date, then 20 business days after the Division 2D commencement date.
- (2) For the purposes of Part 15B, information and notices published by AEMO and consultation undertaken by AEMO in relation to proposed Capacity Transfer and Auction Procedures before the Division 2D commencement date is taken to satisfy the requirements for publication and consultation under rules 135EE and 135EF, if and to the extent that publication and consultation would have satisfied those requirements if it had been conducted after that date.

### **Part 2              Transitional arrangements for Part 18**

#### **1              Definitions**

- (1) In this Part:

**capacity auction start date** has the meaning given in Part 4 of this Schedule.

**commencement date** means the date of commencement of the rules modifying Part 18 made by the Minister under section 294DA of the *NGL*.

**existing BB allocation agent** means a person who is or becomes a BB allocation agent for an existing BB allocation point during the transition period.

**existing BB allocation point** means:

- (a) a service point for a Part 24 facility which is registered under Part 24 at any time during the transition period; and
- (b) a system injection point and system withdrawal point (each as defined in Part 19) for which an Allocation Agent (as defined in Part 19) is appointed under Part 19 at any time before or during the transition period,

excluding, in each case, a point at which the allocation of deliveries or receipts of natural gas is determined under the Retail Market Procedures and existing NT BB allocation points.

**existing NT BB allocation point** means a service point for a Part 24 facility which is a BB facility in the Northern Territory commissioned on or before the NT application date.

**former remote pipeline** means a BB transmission pipeline commissioned on or before the commencement date that:

- (a) was a remote pipeline for the purpose of the old remote pipeline definition;
- (b) is not a remote pipeline for the purposes of the new remote pipeline definition; and
- (c) meets the reporting threshold.

**new Part 18** means Part 18 as will be in force immediately after the commencement date.

**new rule 158A(2)** means rule 158A(2) as will be in force immediately after the commencement date.

**new rule 158B(2)** means rule 158B(2) as will be in force immediately after the commencement date.

**new rule 195A** means rule 195A as will be in force immediately after the commencement date.

**new rule 195B** means rule 195B as will be in force immediately after the commencement date.

**new remote pipeline definition** means the definition of remote pipeline as will be in force immediately after the commencement date.

**new Subdivision 5.7** means Subdivision 5.7 of Division 5 of new Part 18.

**new Subdivision 5.8** means Subdivision 5.8 of Division 5 of new Part 18.

**old remote pipeline definition** means the definition of remote pipeline as was in force immediately before the commencement date.

**Part 25 commencement date** has the meaning given in Part 4 of this Schedule.

**transition period** means the period from the commencement date to the capacity auction start date.

- (2) Unless modified or otherwise defined under this Part, terms used in this Part have the same meaning as in new Part 18.

## **2 Commencement of capacity auction reporting obligations**

- (1) During the transition period, new Subdivision 5.7 does not apply.
- (2) During the transition period, new rule 195B does not apply.



### **3 Commencement of capacity transaction reporting obligations**

- (1) During the transition period, new Subdivision 5.8 does not apply.
- (2) New Subdivision 5.8 does not apply to a BB capacity transaction with a trade date before the capacity auction start date.
- (3) New Subdivision 5.8 does not apply to a secondary capacity transaction that relates to transportation capacity for use of a transportation service provided by means of a transportation facility located in the Northern Territory with a trade date before the NT application date.
- (4) During the transition period, new rule 195A does not apply.

### **4 Allocation agents and allocation points on the commencement date**

- (1) For the purposes of new rule 158A(2), a person who determines, in respect of an existing BB allocation point, the allocation of deliveries or receipts of natural gas among users of the existing BB allocation point, is taken to have become a BB allocation agent for the existing BB allocation point as follows:
  - (a) in the case of a service point for a Part 24 facility, on the date registration of the relevant Part 24 facility under Part 24 takes effect; and
  - (b) in the case of a system injection point or system withdrawal point (each as defined in Part 19), on the Part 24 commencement date.
- (2) For the purposes of new rule 158B(2), an existing BB allocation point is taken to have become a BB allocation point as follows:
  - (a) in the case of a service point for a Part 24 facility, on the date registration of the relevant Part 24 facility under Part 24 takes effect; and
  - (b) in the case of a system injection point or system withdrawal point (each as defined in Part 19), on the Part 24 commencement date.

### **5 Existing NT BB allocation points**

- (1) For the purposes of new rule 158A(2), a person who determines, in respect of an existing NT BB allocation point, the allocation of deliveries or receipts of natural gas among users of the existing NT BB allocation point, is taken to have become a BB allocation agent for the existing NT BB allocation point on the NT application date.
- (2) For the purposes of new rule 158B(2), an existing NT BB allocation point is taken to have become an NT BB allocation point on the NT application date.

## 6 Former remote pipelines

Where an application for registration under new Part 18 is made by the facility operator for a former remote pipeline or a BB facility that is connected to a former remote pipeline or in respect of a former remote pipeline or a BB facility that is connected to a former remote pipeline, AEMO must defer the date on which the registration under new Part 18 takes effect to 1 February 2019 or, if the Part 25 commencement date is after 1 December 2018, to the date falling 40 business days after the Part 25 commencement date.

## Part 3 Transitional arrangements for new Part 24

### 1 Definitions

- (1) In this Part:

**capacity auction start date** has the meaning given in Part 4 of this Schedule.

**Division 2D commencement date** has the meaning given in Part 1 of this Schedule.

**exempt transportation facility** has the meaning given in new Part 24, as affected by rule 4 of this Part.

**existing transportation facility** means a transportation facility, or a part of a transportation facility, commissioned on or before the Part 24 commencement date.

**interconnector commissioning date** means the date referred to in new rule 610(3).

**new Part 24** means Part 24 as will be in force immediately after the Part 24 commencement date.

**new rule 605(6)** means rule 605(6) as will be in force immediately after the Part 24 commencement date.

**new rule 610(2)(d)** means rule 610(2)(d) as will be in force immediately after the Part 24 commencement date.

**new rule 610(3)** means rule 610(3) as will be in force immediately after the Part 24 commencement date.

**new rule 618(2)** means rule 618(2) as will be in force immediately after the Part 24 commencement date.

**new rule 619(1)** means rule 619(1) as will be in force immediately after the Part 24 commencement date.

**new rule 619(2)** means rule 619(2) as will be in force immediately after the Part 24 commencement date.

**new rule 627(3)** means rule 627(3) as will be in force immediately after the Part 24 commencement date.

**new rule 635** means rule 635 as will be in force immediately after the Part 24 commencement date.

**new rule 638** means rule 638 as will be in force immediately after the Part 24 commencement date.

**new rule 638(4)** means rule 638(4) as will be in force immediately after the Part 24 commencement date

**new rule 639** means rule 639 as will be in force immediately after the Part 24 commencement date.

**new rule 640(1)** means rule 640(1) as will be in force immediately after the Part 24 commencement date.

**new rule 640(2)** means rule 640(2) as will be in force immediately after the Part 24 commencement date.

**new Subdivision 5.1** means Subdivision 5.1 of Part 5 of new Part 24 as will be in force immediately after the Part 24 commencement date.

**Part 24 commencement date** means the date for commencement of new Part 24 specified by the Minister under section 294DA of the *NGL*.

**Part 24 transition period** means the period from the Part 24 commencement date to the capacity auction start date.

**transitional Part 24 exemption** means an exemption granted by the AER under this Part.

- (2) Unless modified or otherwise defined under this Part, terms used in this Part have the same meaning as in new Part 24.

## 2 Code amendments

- (1) Subject to subrule (2), for the purposes of new rule 605(6), the date specified by the AER as the date on which an amendment to the Code takes effect must not fall in the 12 month period following the Part 24 commencement date.
- (2) Notwithstanding subrule (1), the AER may specify a date falling in the 12 month period specified in subrule (1) as the date on which an amendment to the Code takes effect if the AER considers that the amendment to the Code:
- (a) is urgently necessary to ensure the proper operation of the capacity auction or the gas trading exchange or the safe and reliable operation of 1 or more transportation facilities; or

- (b) is non-material (that is, the amendment corrects a minor error in the Code or is unlikely to have a significant financial or operational impact).

### **3 Northern Territory exemption**

If the interconnector commissioning date falls on or before the Part 24 commencement date, the exemption in new rule 610(2)(d) is taken to have expired on the Part 24 commencement date.

### **4 Transitional Part 24 exemptions**

- (1) During the Part 24 transition period, a transportation facility (or part) that is the subject of a transitional Part 24 exemption is taken to be an exempt transportation facility for the purposes of new Part 24, rule 5 and the definition of existing auction facility in Part 4 of this Schedule, for so long as the transitional Part 24 exemption continues.
- (2) The AER may on the application of the transportation service provider for a transportation facility made in accordance with the process for applying for an exemption under new Part 24, or on its own initiative, grant a transitional Part 24 exemption in respect of the transportation facility or a part of the transportation facility, if the AER is satisfied, having regard to any matter that it considers relevant, that the transitional Part 24 exemption should be granted.
- (3) A transitional Part 24 exemption may be granted subject to any conditions determined by the AER.
- (4) A transportation service provider for a transportation facility for which a transitional Part 24 exemption has been granted must comply with any conditions of the exemption.
- (5) A transitional Part 24 exemption takes effect on a date specified by the AER in the exemption and expires automatically on the earlier of:
  - (a) a date specified by the AER when it grants the transitional Part 24 exemption;
  - (b) the effective date of an exemption granted under new Part 24 by the AER for the transportation facility (or part) that is the subject of the transitional Part 24 exemption; and
  - (c) the day after the capacity auction start date.
- (6) The AER may revoke a transitional Part 24 exemption by giving not less than 10 business days' written notice to the transportation service provider for the transportation facility.
- (7) This rule expires on the day after the capacity auction start date.

## **5 Registration in relation to Part 24 facilities on the Part 24 commencement date**

- (1) For the purposes of new rule 618(2), a transportation service provider for an existing transportation facility is taken to have become a transportation service provider for the existing transportation facility on:
  - (a) unless paragraph (b) applies to the existing transportation facility, the Part 24 commencement date; and
  - (b) if the existing transportation facility is or becomes an exempt transportation facility before the date falling 20 business days after the Part 24 commencement date, the date determined in accordance with new Part 24 as amended from time to time.
- (2) Subject to subrule (3):
  - (a) new rule 619(2) does not apply in relation to an existing transportation facility; and
  - (b) an application under new rule 619(1) in relation to an existing transportation facility must be made no later than 20 business days after the Part 24 commencement date.
- (3) If an existing transportation facility is or becomes an exempt transportation facility before the date falling 20 business days after the Part 24 commencement date the application date for the existing transportation facility (if any) is determined in accordance with new Part 24 as amended from time to time.

## **6 Initial transportation service point register**

- (1) AEMO must make and publish the initial transportation service point register by 1 December 2018 or, if the Division 2D commencement date is after that date, then 20 business days after the Division 2D commencement date.
- (2) AEMO is not required to comply with the consultation procedures in the Capacity Transfer and Auction Procedures and referred to in new rule 627(3) when making and publishing the initial transportation service point register.

## **7 Review of Standard OTSAs and Standardisation Costs and Charges**

- (1) The AER must review and report on compliance with new Subdivision 5.1 (excluding new rule 635) and may consult as it considers appropriate in relation to the review.
- (2) The report under subrule (1) must:
  - (a) be conducted in relation to standard OTSAs published or required to be published within the period ending 9 months after the Part 24

commencement date and may consider compliance in relation to operational transportation service agreements for conditionally exempt facilities made in that period; and

- (b) be issued within 12 months of the capacity auction start date.
- (3) The AER may, by publishing a notice, extend the time in subrule (2) if further time is required for the review having regard to the issues identified in the review.
- (4) For the purposes of the review under subrule (1), the AER may by notice under this subrule require a transportation service provider to appoint an independent and suitably qualified auditor to:
  - (a) conduct an independent audit of the standardisation costs of the transportation service provider in accordance with any accounting or audit standards specified by the AER; and
  - (b) prepare and provide to the AER a report in which the results of the audit are set out.
- (5) A transportation service provider given a notice under subrule (4) must comply with the notice.
- (6) Nothing in this rule limits the powers of the AER under the *NGL* or the rules.

## **8 Capacity trading platform commencement**

- (1) New rule 638 does not apply during the Part 24 transition period.
- (2) New rule 639 does not apply during the Part 24 transition period.
- (3) New rule 638(4) does not apply to a Part 24 facility that is an existing transportation facility.
- (4) For the purposes of new rule 638, the CTP application date for a Part 24 facility that is an existing transportation facility is the capacity auction start date.

## **9 Amendment to facility agreements**

- (1) A transportation service provider for a Part 24 facility or a conditionally exempt facility in receipt of a request made by a transportation facility user during the Part 24 transition period under new rule 640(1) must give the person making the request and each other party to the agreement an amending agreement that complies with new rule 640(2) within 45 business days of the request.
- (2) The 30 business day period in new rule 640(1) does not apply to a request under new rule 640(1) to which the 45 business day period in subrule (1) applies.

## Part 4 Transitional arrangements for new Part 25 (other than compression reporting)

### 1 Definitions

- (1) In this Part:

**auction transition period** means the period commencing on the Part 25 commencement date and ending immediately before the capacity auction start date.

**capacity auction start date** means:

- (a) subject to paragraph (b), 1 March 2019; or
- (b) if the Part 25 commencement date is after 1 December 2018, the date falling 60 business days after the Part 25 commencement date.

**existing auction facility** means a transportation facility commissioned on or before the capacity auction start date that is not an exempt facility on the capacity auction start date.

**new Part 24** has the meaning given in Part 3 of this Schedule.

**new Part 25** means Part 25 as will be in force immediately after the Part 25 commencement date.

**new rule 648(3)** means rule 648(3) as will be in force immediately after the Part 25 commencement date.

**new rule 653(1)** means rule 653(1) as will be in force immediately after the Part 25 commencement date.

**new rule 654(1)** means rule 654(1) as will be in force immediately after the Part 25 commencement date.

**new rule 656(1)** means rule 656(1) as will be in force immediately after the Part 25 commencement date.

**new rule 665(1)** means rule 665(1) as will be in force immediately after the Part 25 commencement date.

**new rule 665(3)** means rule 665(3) as will be in force immediately after the Part 25 commencement date.

**new rule 666(1)** means rule 666(1) as will be in force immediately after the Part 25 commencement date.

**new rule 666(5)** means rule 666(5) as will be in force immediately after the Part 25 commencement date.

**Part 25 commencement date** means the date for commencement of new Part 25 specified by the Minister under section 294DA of the *NGL*.

**service term** means, in relation to a transportation service supplied under a primary facility agreement, the period during which the transportation service will or may be supplied as specified in or determined under the primary facility agreement; but disregarding any extension to the service term pursuant to an agreement made on or after 19 March 2018.

**standard firm** has the meaning given in rule 3.

**transitional firm quantity** has the meaning given in rule 3.

**transitional firm service** means a transportation service that is classified by the facility operator as a transitional firm service applying the criteria in rule 4(1) and for which, at that time:

- (a) a notice has been given to the AER in accordance with rule 5(1); and
- (b) the AER has not rejected the classification under rule 5(4) or revoked the classification under rule 7,

but only during the service term and for the maximum daily quantity specified in the transitional firm service specification as notified to the AER.

**transitional firm service specification** means, for a transitional firm service:

- (a) the auction facility by means of which the service is provided;
- (b) the facility operator for the auction facility;
- (c) the transportation facility user to whom the service is provided;
- (d) the market generating unit in respect of which the service is provided;
- (e) the service term for the service; and
- (f) a maximum daily quantity (in GJ/day) applicable to the service under the facility agreement or if the facility agreement does not specify a maximum daily quantity for the service, determined by some other reasonable means and in each case disregarding any increase to the maximum daily quantity arising out of an event or circumstance occurring on or after 19 March 2018.

**transitional firm service transition period** means the period commencing on the Part 25 commencement date and ending at 6:00 am Australian Eastern Standard Time on the second anniversary of the capacity auction start date.

- (2) Unless modified or otherwise defined under this Part, terms used in this Part have the same meaning as in new Part 25.



## 2 Capacity auction start date

- (1) Notwithstanding anything to the contrary in new rule 654(1), for the purposes of that rule, an existing auction facility becomes subject to the capacity auction on the capacity auction start date.
- (2) For the purposes of new rule 656(1), AEMO must establish the capacity auction to start on the capacity auction start date.

## 3 Transitional firm services

- (1) During the transitional firm service transition period:
  - (a) the definition of firm in new Part 25 does not apply for the purposes of new Part 25 (but does apply for the purpose of new Part 24);
  - (b) subject to paragraph (c), the definitions of firm, standard firm and transitional firm quantity in subrule (2) apply for the purposes of new Part 25; and
  - (c) for the purposes of classifying services under new rule 648(3), a reference to a firm service is taken to be a reference to a standard firm service.

- (2) The definitions referred to in subrule (1)(b) are:

**firm** means, in relation to a transportation service on a gas day, that:

- (a) the transportation service is standard firm in respect of that gas day; or
- (b) the transportation service is being used on that gas day for the transportation of a quantity of natural gas that is a transitional firm quantity in respect of that gas day, but only to the extent of that transitional firm quantity,

and the terms “firm forward haul service”, “firm backhaul service”, “firm compression service” and “firm park service” refer to a forward haul service, backhaul service, compression service and park service respectively that is standard firm or transitional firm as provided for in this definition.

**standard firm** means, in relation to a transportation service and a gas day, that:

- (a) transportation capacity for use of the transportation service on the gas day is reserved capacity;
- (b) in normal operating conditions, and even if the relevant transportation facility is fully contracted for the gas day on a firm basis, to the extent consistent with accepted good industry practice:
  - (i) nominations made by another transportation facility user do not affect the quantity of reserved capacity or the scheduling of a nomination for use of the reserved capacity; and

- (ii) a nomination made before the nomination cut-off time for use of the transportation service on the gas day up to the quantity of reserved capacity will be scheduled for the quantity nominated,

and the terms “standard firm forward haul service”, “standard firm backhaul service”, “standard firm compression service” and “standard firm park service” refer to a forward haul service, backhaul service, compression service and park service respectively that is standard firm as provided for in this definition.

Auction services sold in the capacity auction are not standard firm within the meaning of this definition.

**transitional firm quantity** means, in relation to a quantity of natural gas and a gas day, the facility operator has classified the quantity of natural gas as a transitional firm quantity in accordance with and subject to rule 4(3).

- (3) To avoid doubt, a term used in any of the definitions in subrule (2) has the meaning given in new Part 25 unless otherwise defined in this Part.

#### **4 Classification of transitional firm services and transitional firm quantities**

- (1) The criteria for classification of a transportation service as a transitional firm service are that:
  - (a) the transportation service is not a standard firm transportation service or an auction service;
  - (b) the transportation service is used for the supply of natural gas for consumption by a market generating unit;
  - (c) the terms and conditions for use of the transportation service are set out in a primary facility agreement made on or before 19 March 2018 and are the same, or substantially the same, as the terms and conditions in force on that date;
  - (d) for each gas day in the service term that falls in the transitional firm service transition period, the contractual right to use the transportation service on that gas day under the primary facility agreement referred to in paragraph (c):
    - (i) was in effect under the primary facility agreement on or before 19 March 2018; or
    - (ii) is conditional only on the exercise of an option under the primary facility agreement to acquire the right where the option was acquired on or before 19 March 2018;
  - (e) under the terms and conditions for use of the transportation service, to the extent a nomination for use of the transportation service is scheduled, nominations made by another transportation facility user for use of that or

any other transportation service (other than a standard firm transportation service) will, in normal operating conditions, not affect the scheduled quantity; and

**Note:**

An example may be a service described in the natural gas industry as “as available” or “authorised overrun” (or services equivalent in nature to such services) where that service is treated as firm once scheduled.

- (f) at least one service point for the transportation service is either:
  - (i) a service point on a pipeline by means of which the transportation service is provided at which gas is supplied for consumption by a market generating unit; or
  - (ii) a service point at which gas is received onto a second transportation facility for transportation using a transitional firm service to a point on the second transportation facility, or a subsequent transportation facility, at which gas is supplied for consumption by a market generating unit.
- (2) A facility operator may classify a transportation service provided by means of the facility operator’s auction facility as a transitional firm service only where:
  - (a) all the criteria for classification in subrule (1) are satisfied in relation to the transportation service;
  - (b) notice has been given to the AER in accordance with rule 5(1) in relation to the transportation service of the facility operator’s intention to classify the service under this rule; and
  - (c) the AER has not rejected the classification under rule 5(4) or revoked the classification under rule 7.
- (3) A facility operator may, in relation to a quantity of natural gas and a gas day, classify the quantity as a transitional firm quantity for the gas day only where:
  - (a) the natural gas is nominated (including by renomination) for transportation using a transitional firm service;
  - (b) the gas day is in the service term for the transitional firm service;
  - (c) the quantity is equal to or less than the maximum daily quantity specified for the transitional firm service in the transitional firm service specification; and
  - (d) the facility operator is reasonably satisfied at the time it makes the classification that the quantity to be transported is either:
    - (i) to be withdrawn on the gas day at a pipeline service point solely for consumption by a market generating unit at that service point; or

- (ii) to be transported to another transportation facility from which it will be withdrawn on the gas day at a pipeline service point solely for consumption by a market generating unit.
- (4) For the purposes of subrule (3)(d), the facility operator may rely on information provided to it by the person making the nomination or another facility operator, where it is reasonable for the facility operator to do so.
- (5) A facility operator must make and maintain a record of the matters relied on by the facility operator for the purposes of subrule (3)(d) and must if requested by the AER provide the record to the AER.
- (6) If a facility operator becomes aware that any part of a quantity of natural gas previously classified as a transitional firm quantity no longer satisfies the criteria in subrule (3), it must, to the extent operationally and technically feasible, take that into account in scheduling and curtailment in accordance with the auction service priority principles and for the determination of auction quantity limits.

## **5 Notice to the AER about classification of a service**

- (1) A facility operator who intends to classify a transportation service provided by means of the facility operator's auction facility as a transitional firm service must give notice to the AER under this subrule no later than 30 business days before the facility operator first classifies any quantity of gas transported using the service as a transitional firm quantity. The notice under this subrule must:
  - (a) contain the transitional firm service specification;
  - (b) include a copy of the agreement or agreements containing the terms and conditions on which the transportation service is provided (including any amendments);
  - (c) contain an assessment of the transportation service against each classification criterion in rule 4(1) with reference to the terms of the agreement or other information relied on for the assessment; and
  - (d) include any other information or documentation reasonably required by the AER for the purposes of this subrule from time to time.
- (2) If the AER requests further information about a transportation service in connection with a notice under subrule (1), the facility operator must provide the information to the AER as soon as practicable and within the time specified in the request, which must not be shorter than 10 business days after the request.
- (3) A facility operator who gives a notice under subrule (1) must, if required by the AER by notice to the facility operator under this subrule, procure and provide to the AER within a reasonable time specified by the AER an opinion addressed to the AER and on which the AER may rely and which must:

- (a) be given by a person engaged by the facility operator and approved by the AER who:
    - (i) has the qualifications and experience to make the assessment referred to in paragraph (e) and give the opinion; and
    - (ii) must not be an employee of the facility operator or any of its associates but may be one of the facility operator's usual advisors or auditors;
  - (b) list the information and documentation relied on for the purposes of the opinion;
  - (c) set out any assumptions made for the purposes of the opinion and any qualifications to the opinion;
  - (d) confirm the transitional firm service specification is accurate having regard to the matters in paragraph (b) or (c); and
  - (e) contain an assessment of the transportation service against each classification criterion in rule 4(1) and an opinion as to whether the classification criterion is satisfied in relation to the transportation service,
- and may contain any other matters relevant to the opinion.
- (4) If the AER is not satisfied that a transportation service the subject of a notice under subrule (1) satisfies the classification criteria in rule 4(1), the AER may by notice to the facility operator reject the classification. If a notice is given under this rule, the facility operator must not classify the transportation service as a transitional firm service.
  - (5) If the AER does not give a notice under subrule (4) within 30 business days of the notice under subrule (1), the facility operator may classify the relevant transportation service as a transitional firm service and may continue to do so unless the AER rejects the classification under subrule (4) or revokes the classification under rule 7. The rejection or revocation takes effect at the time specified by the AER, which must not be earlier than the time the AER's decision is notified to the facility operator.

## **6 Facility agreement amendment**

- (1) A facility operator who has classified a transportation service as a transitional firm service must, within 5 business days after varying the facility agreement under which the transitional firm service is provided, give the AER written notice of the variation and if the variation is material, include a further notice to the AER updating the notice provided under rule 5(1).
- (2) For the purposes of subrule (1) a variation to a facility agreement is material if the relevant transitional firm service specification is no longer accurate.

## **7 Revocation of classification**

- (1) The AER may revoke the classification of a transportation service as a transitional firm service if:
  - (a) the AER is not satisfied that the criteria for classification in rule 4(1) are satisfied in relation to the transportation service (including by reason of a variation to a facility agreement); or
  - (b) information provided to the AER under rule 5 or 6 was inaccurate or misleading in a material respect.
- (2) If the AER proposes to revoke a classification under subrule (1), it must notify the facility operator and invite the facility operator to make submissions about the proposed revocation within 10 business days of the notice.
- (3) If a facility operator given a notice under subrule (2) provides written submissions to the AER within the period required by the notice, the AER must have regard to those submissions in deciding whether to revoke the classification.
- (4) If the AER revokes a classification it must give the facility operator written reasons for its decision.

## **8 Audit of transitional firm quantities**

- (1) The AER may review the classification of transportation services as transitional firm services or the classification of quantities of gas as transitional firm quantities.
- (2) For the purposes of the review under subrule (1), the AER may by notice require a facility operator or a transportation facility user provided with a transitional firm service to appoint an independent and suitably qualified auditor to:
  - (a) conduct an independent audit of quantities classified as transitional firm quantities having regard to the requirements for classification in this Part and in accordance with any audit standards specified by the AER; and
  - (b) prepare and provide to the AER a report in which the results of the audit are set out.
- (3) A facility operator or a transportation facility user given a notice under subrule (2) must comply with the notice.
- (4) Nothing in this rule limits the powers of the AER under the *NGL* or the rules.

## **9 Confidentiality and costs**

- (1) Information provided to the AER under rule 4, 5, 6, 7 or 8 is taken to have been provided to the AER in confidence.

- (2) The costs incurred by a facility operator under rule 4, 5, 6, 7 or 8 must not be included in the calculation of standardisation costs, as that term is defined in new Part 24.

## **10 Information to be given to AEMO about transitional firm services and quantities**

- (1) A facility operator for an auction facility must provide to AEMO in accordance with the Capacity Transfer and Auction Procedures, for publication by AEMO on the Natural Gas Services Bulletin Board, information about whether any transportation service for the transportation facility is classified as a transitional firm service and must keep that information up to date. To avoid doubt, this subrule does not require any information about the transitional firm service or the transitional firm service specification to be provided to, or published by, AEMO.
- (2) For the purposes of new rule 653(1), a facility operator for an auction facility must, for each day on and from which the auction facility becomes subject to the capacity auction, provide to AEMO in accordance with the Capacity Transfer and Auction Procedures, information to identify the transitional firm quantity used in the calculation of the auction quantity limits for the gas day aggregated by service point and the service points to which the quantity relates.
- (3) For each gas day D, AEMO must publish on the Natural Gas Services Bulletin Board on gas day D+1, for each auction facility, the aggregate transitional firm quantity used in the calculation of the auction quantity limits for the auction facility.

## **11 Facility operator nomination and scheduling records**

- (1) New rule 665(1) does not apply during the auction transition period.
- (2) The AER must develop and publish the initial guidelines under new rule 665(3) by 1 December 2018 or, if the Part 25 commencement date is after that date, then 20 business days after the Part 25 commencement date.
- (3) The guidelines made under subrule (2) and any subsequent guidelines under new rule 665(3) applicable during the transitional firm service transition period must provide for the separate identification of:
  - (a) each transitional firm quantity and the market generating unit in respect of which the transitional firm quantity was supplied; and
  - (b) any renomination for use of a transitional firm service after the nomination cut-off time for the transitional firm service that reduced the transitional firm quantity or resulted in any part of the transitional firm quantity used in the calculation of an auction quantity limit being supplied other than:
    - (i) for consumption by a market generating unit; or

- (ii) another transportation facility for onward transportation for consumption by a market generating unit.
- (4) The AER is not required to comply with the *standard consultative procedure* in developing the initial guidelines under new rule 665(3).

## 12 Renomination records

- (1) New rule 666(1) does not apply during the auction transition period.
- (2) The AER must develop and publish the initial guidelines under new rule 666(5) by 1 December 2018 or, if the Part 25 commencement date is after that date, then 20 business days after the Part 25 commencement date.
- (3) The AER is not required to comply with the *standard consultative procedure* in developing the initial guidelines under new rule 666(5).

## Part 5 Transitional arrangements for reporting by compression service facilities

### 1 Definitions and interpretation

- (1) In this Part:

**auction service curtailment information** means for an auction service provided by means of an auction facility for a gas day, the curtailed quantity for that gas day for all transportation capacity sold in the capacity auction for use of the auction service on that gas day.

**BB information standard** has the meaning given in new Part 18.

**capacity auction start date** has the meaning given in Part 4 of this Schedule.

**compression delivery point** has the meaning given in new Part 25.

**compression receipt point** has the meaning given in new Part 25.

**curtailed quantity** means for a gas day and a transportation service, the amount (in GJ) by which the scheduled quantity for the transportation service for the gas day is less than the nomination for use of that transportation service on that gas day, but not including any part of a nomination not included in the scheduled quantity because it exceeds the quantity of transportation capacity held by the person making the nomination.

**curtailment** has the meaning given in new Part 24.

**daily capacity** means for a transitional compression facility, the quantity of natural gas that can be compressed by the transitional compression facility on a gas day for the facility.



**daily production data** means for a transitional compression facility, the quantity of natural gas that is metered as having been, or estimated in good faith by the reporting entity to have been, compressed by the transitional compression facility on a gas day.

**detailed facility information** means for a transitional compression facility, each pipeline to which the transitional compression facility is connected and the *receipt or delivery points* at which the transitional compression facility is connected.

**LCA flag** for a gas day means a green, amber or red flag indicating the actual or expected capability of a transitional compression facility to meet the aggregated nominations for use of the transitional compression facility for that gas day based on the facility's capacity.

**Note:**

The meaning of a green, amber or red flag is specified in the Capacity Transfer and Auction Procedures.

**material change** means:

- (a) in respect of nameplate rating information for a transitional compression facility, the information is no longer accurate due to changes in the capacity of the transitional compression facility that are likely to impact the transitional compression facility for more than one year;
- (b) in respect of a short term capacity outlook for a transitional compression facility, a change to the short term capacity outlook that exceeds the greater of 10% of the nameplate rating of the transitional compression facility and 30 TJ; and
- (c) in respect of information about nominated or forecast use of a service provided by a transitional compression facility, a change to the nomination or forecast that exceeds the greater of 10% of the nameplate rating of the transitional compression facility and 30 TJ.

**nameplate rating** has the meaning given in new Part 24.

**new Part 18** has the meaning given in Part 2 of this Schedule.

**new Part 24** has the meaning given in Part 3 of this Schedule.

**new Part 25** means Part 25 as will be in force immediately after the Part 25 commencement date.

**Part 25 commencement date** means the date for commencement of new Part 25 specified by the Minister under section 294DA of the *NGL*.

**primary compression capacity** means firm capacity on a transitional compression facility that is sold by a transportation service provider to a transportation facility user, giving the buyer the right to an agreed quantity of capacity of that transitional compression facility for an agreed period.

**reporting entity** means the person registered with AEMO under new Part 24 as the facility operator for the transitional compression facility from time to time.

**short term capacity outlook** means, on any gas day, the reporting entity's good faith estimate of a set of values describing the expected daily capacity of the facility under expected operating conditions for each of gas days D+1 to D+7.

**transitional compression facility** means, at any time, a compression service facility:

- (a) that is at that time an auction facility; and
- (b) for which the transition period has started and not ended.

**transition period** means, in relation to a compression service facility, the period:

- (a) starting on 1 February 2019 or, if the Part 25 commencement date is after 1 December 2018, 40 business days after the Part 25 commencement date; and
- (b) ending when the transitional compression facility is registered as a BB facility under Part 18 and the reporting entity, or another person, is registered as the BB reporting entity for that BB facility under Part 18.

**uncontracted primary compression capacity** means primary compression capacity that a transportation service provider for a transitional compression facility has available for sale or that it will have available for sale.

- (2) Unless modified or defined under this Part, terms used in this Part have the same meaning as in new Part 25.
- (3) In this Part, a reference to a quantity of natural gas is to an energy quantity (expressed in whole TJ unless otherwise specified) rather than a volumetric or other quantity.
- (4) In this Part, in relation to a reporting entity, a reference to "its" transitional compression facility is a reference to each transitional compression facility for which it is registered as the facility operator under new Part 24.
- (5) In this Part, a reference to:
  - (a) gas day D is a reference to whichever gas day is designated by the relevant rule;
  - (b) gas day D-n is a reference to the gas day occurring n gas days before gas day D; and
  - (c) gas day D+n is a reference to the gas day occurring n gas days after gas day D.

## **2 Application**

This Part applies to a reporting entity in relation to a transitional compression facility during the transition period for the transitional compression facility.

## **3 Information standard and related matters**

- (1) A reporting entity required by a provision of this Part or the Capacity Transfer and Auction Procedures to give information or data to AEMO must:

- (a) prepare and submit that information or data; and
- (b) if applicable, maintain any equipment from which that information or data is derived,

in accordance with the BB information standard.

- (2) Where this Part requires a reporting entity to update information or data provided to AEMO, the reporting entity must:

- (a) do so each time facts or circumstances arise that require the information or data to be updated; and
- (b) notify the updated information or data to AEMO as soon as practicable after the person becomes aware of the facts or circumstances that require the information or data to be updated and within any applicable timeframe specified in the Capacity Transfer and Auction Procedures.

- (3) A reporting entity required by a provision of this Part or the Capacity Transfer and Auction Procedures to update information or data provided to AEMO must:

- (a) prepare and submit that updated information or data; and
- (b) if applicable, maintain any equipment from which the updated information or data is derived,

in accordance with the BB information standard.

- (4) AEMO is not required to verify the accuracy of information or data provided to AEMO under this Part.

## **4 Capacity Transfer and Auction Procedures**

- (1) The Capacity Transfer and Auction Procedures may include provisions with respect to the provision of information under this Part.

- (2) Where this Part requires a reporting entity to provide information to AEMO, the information must be provided by the reporting entity by the time specified in the Capacity Transfer and Auction Procedures.

- (3) Where this Part requires a reporting entity to provide information to AEMO, the information must be provided by the reporting entity in the manner and form specified in, and otherwise in accordance with, the Capacity Transfer and Auction Procedures.
- (4) The Capacity Transfer and Auction Procedures may provide for:
  - (a) a reporting entity to be exempt from the obligation to provide an item of information under this Part in respect of a transitional compression facility in specified circumstances; and
  - (b) the default value that will be used in place of the relevant item of information.
- (5) The obligations under this Part to update information apply to default values determined under the Capacity Transfer and Auction Procedures as if the reporting entity had provided the information to AEMO.

## **5 Nameplate rating information**

- (1) A reporting entity must provide to AEMO:
  - (a) the nameplate rating of each of its transitional compression facilities;
  - (b) the nameplate rating of each compression receipt point and compression delivery point for each of its transitional compression facilities; and
  - (c) information about any planned permanent capacity reduction or expansion due to modification of the transitional compression facility, the nameplate rating that is expected to result and the time the modification is expected to take effect.
- (2) The reporting entity must provide the information specified in subrule (1) to AEMO:
  - (a) on registration of the transitional compression facility under Part 24; and
  - (b) annually, by the date specified in the Capacity Transfer and Auction Procedures.
- (3) A reporting entity must update the information provided under subrule (1) for its transitional compression facility if there is a material change.

## **6 Detailed facility information**

- (1) A reporting entity must provide to AEMO the detailed facility information for each of its transitional compression facilities.

- (2) The reporting entity must provide the detailed facility information specified in subrule (1) to AEMO on the earlier of registration of the facility under Part 24 and 20 business days before the capacity auction start date.
- (3) A reporting entity must update the detailed facility information provided under subrule (1) for its transitional compression facility if the information is no longer accurate.

## **7 Gas day start times**

- (1) A reporting entity must provide to AEMO the time at which the gas day starts for each of its transitional compression facilities (e.g. 6am EST).
- (2) The reporting entity must provide the gas day start time to AEMO on the earlier of registration of the facility under Part 24 and 20 business days before the capacity auction start date.
- (3) If the start time for the gas day for a transitional compression facility provided to AEMO under subrule (1) changes, the reporting entity must notify AEMO of the updated information as soon as practicable.

## **8 12 month outlook of uncontracted primary compression capacity**

- (1) A reporting entity must provide to AEMO, for each of its transitional compression facilities, an outlook of uncontracted primary compression capacity on the transitional compression facility for each of the next 12 months.
- (2) The reporting entity must provide the information specified in subrule (1) to AEMO each month, by the date determined under the Capacity Transfer and Auction Procedures.

## **9 Short term capacity outlooks**

- (1) A reporting entity must provide to AEMO a short term capacity outlook for each of its transitional compression facilities.
- (2) The reporting entity must provide the information specified in subrule (1) to AEMO each gas day, except in circumstances where the Capacity Transfer and Auction Procedures permit the reporting entity to rely on an exemption or the use of default values for a gas day.
- (3) A reporting entity must update the information it has provided under subrule (1) for a gas day if there is a material change.

## **10 Linepack/capacity adequacy indicator**

- (1) A reporting entity must provide to AEMO the LCA flag for each of its transitional compression facilities.

- (2) The reporting entity must provide the LCA flag in respect of each gas day D for gas days D to D+2, except in circumstances where the Capacity Transfer and Auction Procedures permit the reporting entity to rely on an exemption or the use of default values for a gas day.
- (3) A reporting entity must update the current LCA flag for a transitional compression facility for a gas day if at any time the LCA flag for the gas day no longer reflects the actual or expected capability of the transitional compression facility to meet the aggregated nominations for use of the transitional compression facility on that gas day.

## **11 Nominated and forecast use of compression facilities**

- (1) A reporting entity must, in respect of each of its transitional compression facilities, provide to AEMO in respect of each gas day D:
  - (a) the aggregate nominated or forecast quantity of natural gas to be compressed by the transitional compression facility on the gas day; and
  - (b) the aggregate forecast quantity of natural gas to be compressed by the transitional compression facility on gas day D+1 to gas day D+6 for use of the service provided by means of the transitional compression facility, which may be based on the reporting entity's forecast or forecast nominations if primary shippers have provided forecast nominations under contract or applicable market rules.
- (2) The obligation of a reporting entity under subrule (1) to provide information is taken to be satisfied for a gas day in circumstances where the Capacity Transfer and Auction Procedures permit the reporting entity to rely on an exemption or the use of default values for that gas day.
- (3) A reporting entity must update the information it has provided to AEMO under subrule (1) if there is a material change.

## **12 Daily production data**

- (1) Each gas day D, a reporting entity must provide to AEMO the daily production data for each of its transitional compression facilities for gas day D-1.
- (2) A reporting entity must update the information provided under subrule (1) for its transitional compression facility if the information is no longer accurate.
- (3) The information provided to AEMO under subrule (1) is to be determined by the reporting entity on the basis of operational metering data.

### **Note:**

The information provided to AEMO under this rule is not intended to be of settlements quality.

### **13 Auction service curtailment**

- (1) This rule does not apply until the capacity auction start date.
- (2) A reporting entity for a transitional compression facility must provide to AEMO the following information if an auction service provided by its transitional compression facility is subject to curtailment in respect of a gas day, including curtailment due to a renomination:
  - (a) notice of the curtailment and the gas day and auction service affected;
  - (b) a brief description of the cause of the curtailment; and
  - (c) whether the curtailed quantity for the auction service and gas day is material.
- (3) The information referred to in subrule (2) must be provided to AEMO as soon as practicable after the reporting entity becomes aware of the circumstances giving rise to the curtailment.
- (4) A reporting entity must update the information provided under subrule (2)(b) or (c) for its transitional compression facility if the information is no longer accurate, including due to circumstances resulting in additional curtailment of the auction service for the gas day.
- (5) For the purposes of this rule, a curtailed quantity is material for a gas day and auction service if it is more than 10% of the quantity of transportation capacity sold in the capacity auction for use of the auction service on the gas day.

### **14 Daily auction service curtailment information**

- (1) This rule does not apply until the capacity auction start date.
- (2) Each gas day D, a reporting entity must provide to AEMO the auction service curtailment information for each auction service provided by means of any of its transitional compression facilities for gas day D-1.
- (3) A reporting entity must update the information it has provided to AEMO under subrule (2) if the information is no longer accurate.

### **15 Publication by AEMO**

AEMO must publish on the Bulletin Board the information provided to AEMO by reporting entities in accordance with the obligations of reporting entities under this Part, as if the information had been provided to AEMO under Division 5 of new Part 18.

## Part 6 Transitional arrangements for the standard market timetable

### 1 Definitions

(1) In this Part:

**change in law amendment provision** means a provision in an old gas day contract that applies to the negotiation of amendments to the old gas day contract in connection with a change in law (however described in the contract) and includes any relevant contractual provisions for dispute resolution that apply to the negotiation of such amendments.

**connected facility** means a facility that is not a Part 26 facility but is connected to a Part 26 facility.

**expert determination rules** means the expert determination rules of the Resolution Institute ABN 69 008 651 232 (or its successor body) in the form those expert determination rules take at the time the relevant dispute is referred for determination.

**gas market** means each regulated gas market, the gas trading exchange established under Part 22 and the capacity auction established under Part 25.

**new Part 26** means Part 26 as will be in force immediately after the Part 26 commencement date.

**new rule 678** means rule 678 as will be in force immediately after the Part 26 commencement date.

**old gas day contract** means a contract entered into before the Part 26 commencement date that uses a gas day or nomination cut-off time for day-ahead nominations that is not the same as the standard gas day or standard nomination cut-off time (as applicable) and that is for:

- (a) the provision of a service provided by means of a Part 26 facility on or after the Part 26 transition date; or
- (b) the supply of gas to a connected facility on or after the Part 26 transition date.

**Part 26 commencement date** means the date for commencement of new Part 26 specified by the Minister under section 294DA of the *NGL*.

**Part 26 facility** means a natural gas facility to which Part 26 applies.

**Part 26 transition date** means 1 October 2019.

**Part 26 transition period** means the period from the Part 26 commencement date to 6:00 am Australian Eastern Standard Time on 1 October 2019.



**publish** by a person, means to make publicly available on the person's website and in the case of AEMO, includes to make publicly available on the Natural Gas Services Bulletin Board.

**relevant dispute** means a disagreement or dispute between the parties to an old gas day contract under or in connection with rule 5, including a disagreement or dispute about the amendments to an old gas day contract the subject of negotiations under rule 5(4), whether or not a party to those negotiations has negotiated in good faith.

**relevant contractual provisions for dispute resolution** means provisions for dispute resolution contained in an old gas day contract.

- (2) Unless modified or otherwise defined under this Part, terms used in this Part have the same meaning as in new Part 26.

## **2 Use of standard market timetable**

- (1) During the Part 26 transition period, new rule 678 does not apply.
- (2) During the Part 26 transition period, a facility operator for a Part 26 facility must take all necessary steps to ensure the standard market timetable is in use in relation to the Part 26 facility in accordance with new rule 678 no later than the standard gas day starting on the Part 26 transition date.

## **3 Information about gas market transition**

- (1) AEMO must publish information about the arrangements for transition to the standard gas day in each gas market, where relevant to that gas market, to provide guidance to participants in the gas market or those required to provide information in connection with the gas market.
- (2) Before publishing the information referred to in subrule (1), AEMO must undertake such consultation as AEMO considers appropriate with the persons referred to in subrule (1) and any other persons AEMO reasonably considers would be affected by the proposed arrangements referred to in subrule (1).
- (3) AEMO must publish the information referred to in subrule (1) on or before 1 April 2019 and may update the information from time to time.

## **4 Information about natural gas facility transition**

- (1) This rule applies to a facility operator for a Part 26 facility:
  - (a) by means of which services are provided to any person (disregarding for this purpose an associate of the facility operator); and
  - (b) that will be required to change the start time of the gas day, the nomination cut-off time or the equipment used for the measurement or recording of

quantities of natural gas in connection with the use of the standard market timetable under new Part 26.

- (2) A facility operator to whom this rule applies must publish and provide to AEMO information about the facility operator's arrangements for its Part 26 facility for the transition to use of the standard gas day and standard nomination cut-off time (if applicable) as may be reasonably expected to be required by:
- (a) a person to whom services are provided by means of the Part 26 facility in connection with the person's use of the Part 26 facility;
  - (b) the operator of a Part 26 facility to which its facility is connected; or
  - (c) AEMO in its capacity as operator of a gas market.

**Note:**

For example, the information may include the arrangements for nomination and scheduling on the last gas day before the new timetable applies to the facility (if it will be shorter than 24 hours), any adjustments to capacity entitlements for that day for nomination, scheduling and billing purposes and the proposed date for the transition (or parts of it, such as metering), if earlier than the transition date.

- (3) A facility operator to whom this rule applies must provide to AEMO and publish the information referred to in subrule (2) by the earlier of:
- (a) 20 business days before it implements the use of the standard market timetable; and
  - (b) 30 June 2019,

and may update the information from time to time.

- (4) A facility operator to whom this rule applies must (in addition to complying with any applicable obligations under the rules or Procedures) use reasonable endeavours to ensure that the arrangements referred to in subrule (2) for its Part 26 facility are, to the extent reasonably practicable, consistent with the arrangements for the transition to the standard market timetable:
- (a) published by the facility operator for any Part 26 facility to which its facility is connected; and
  - (b) in gas markets to which its Part 26 facility is connected or in which users of its facility may participate,

taking into account the operational and technical requirements necessary for safe and reliable operation of the Part 26 facility.

## **5 Amendment of old gas day contracts**

- (1) If an old gas day contract contains a change in law amendment provision, the change in law amendment provision prevails over this rule to the extent of any inconsistency with this rule.
- (2) A party to an old gas day contract may by notice to the other parties to the contract request:
  - (a) amendments to the old gas day contract required to provide for the:
    - (i) gas day used under the contract to be the same as the standard gas day with effect from the Part 26 transition date; and
    - (ii) nomination cut-off time for day-ahead nominations used under the contract to be the same as the standard nomination cut-off time with effect from the Part 26 transition date; and
  - (b) other fair and reasonable amendments consequential on the amendments referred to in paragraph (a),in each case consistent with the terms of the contract prior to those amendments being made.
- (3) Subrule (2) does not extend to amendments that have the effect of depriving a person of a contractual right in an old gas day contract to be:
  - (a) supplied with a certain amount of goods or services under the contract; or
  - (b) paid for goods and services supplied under the contract.
- (4) If a party to an old gas day contract makes a request under subrule (2), the parties to the old gas day contract must negotiate in good faith for the purposes of agreeing the amendments.
- (5) Once the amendments referred to in subrule (4) have been agreed, the parties to the old gas day contract must execute an agreement giving effect to the amendments as soon as is reasonably practicable.
- (6) If there is a relevant dispute between the parties to an old gas day contract:
  - (a) the relevant dispute must be resolved in accordance with the relevant contractual provisions for dispute resolution, insofar as those provisions apply to the relevant dispute of their own force and effect; and
  - (b) if the relevant contractual provisions for dispute resolution do not apply to the relevant dispute, each party to the old gas day contract is taken to have agreed (as a term of the old gas day contract) to refer the relevant dispute for determination by an expert under the expert determination rules.