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(h) balancing, allocation and reconciliation of quantities of gas injected and withdrawn in a regulated retail gas market;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; and
      (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.