

20 April 2015



Via online submission
Our ref: 2015-013

Jemena Gas Networks
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Mr John Pierce
Chairman
Australian Energy Market Commission
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Dear Mr Pierce

Submission on draft determination—rule change proposal—matched allocation process in the STTM (GRC0030)

Jemena Gas Networks (**JGN**) welcomes the AEMC's draft determination to give effect to JGN's rule change proposal regarding the matched allocation process for procuring operational gas in the Short Term Trading Market (**STTM**). The draft determination, if made final, would help put further downward pressure on gas bills across NSW while supporting JGN's efficient network and commercial operations. This outcome clearly promotes our customers' long-term interests.

We have reviewed the amendments to the National Gas Rules (**NGR**) set out in the AEMC's draft determination, and have only identified one small drafting issue.

Currently, NGR rule 372 operates to describe the Sydney STTM hub as the STTM distribution system that was "owned" at STTM commencement by "Jemena Gas Networks (NSW) Limited ACN 003 004 322". However, the draft determination proposes to amend rule 372 to refer simply to "Jemena", a defined term which is to be inserted into rule 364. Under rule 364, "Jemena" is defined to mean JGN *or its successor as the STTM distributor for the Sydney hub*.

Whilst "Jemena" (as defined) is appropriate for use in the new rule 500A, it should not be used in rule 372, because rule 372 relates to a specific moment in time: namely STTM commencement when the Sydney hub was owned by JGN. Put another way, if the proposed amendment to rule 372 is made, and at some point in the future another entity becomes the STTM distributor for the Sydney hub, rule 372 would not be able to operate as intended.

Finally, I would also like to take this opportunity thank AEMC staff for taking the time to meet with us to discuss this rule change proposal. We have welcomed this transparent and collaborative approach. If you wish to discuss this submission please feel free to contact Alex McPherson, Manager Asset Regulation and Strategy, on (02) 9867 7229 or at alex.mcpherson@jemena.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R. McMillan', with a long horizontal flourish extending to the right.

Robert McMillan
General Manager Regulation
Jemena Limited