



Final Decision

Application for revision

Access Arrangement by Victorian Energy Networks Corporation for the Principal Transmission System

Date: 9 February 2005

File no:
C2003/1480

Commissioners:

Samuel
Sylvan
Martin
King
Smith
Willett

1. The application

On 5 November 2004, the Australian Competition and Consumer Commission (the ACCC) received an application from the Victorian Energy Networks Corporation (VENCorp) for revision of its Access Arrangement for the Principal Transmission System, in respect of amendments to the Gas Market & System Operations Rules (MSO Rules), which form part of the Access Arrangement. The application was submitted under the National Third Party Access Code for Natural Gas Pipeline Systems (the Code).

VENCorp is a Victorian government statutory authority with responsibility for operating Victoria's gas transmission system and its spot market. VENCorp has an approved Access Arrangement in place for the Principal Transmission System for the period 1 January 2003 until 31 December 2007. The ACCC last approved revisions to the VENCorp's Access Arrangement on 4 February 2004.

Concurrently, VENCorp also applied to the ACCC proposing amendments to the authorisation of the MSO Rules under the Trade Practices Act 1974. That application is the subject of a separate determination by the ACCC. The ACCC has authorised the MSO Rules until 31 December 2012.

The proposed amendments to the MSO Rules relating to VENCorp's application for revision to its Access Arrangements appear in **Attachments 1 to 5** of this Decision and are briefly outlined below.

Allocating participant injection quantities

The proposed amendments to the MSO Rules **at Attachment 1** clarify the allocation arrangements in times when non-market participants inject gas under direction from VENCorp into the gas transmission system. Allowing non-market participants to inject gas adds to system security.

At present, the MSO Rules do not provide for allocation arrangements in determining the quantities of gas injected by non-market participants into the system. Under such circumstances, VENCorp relies on reaching an agreement with an Allocation Agent as to the quantity of gas injected.

The problem with this is that it does not provide a sufficient degree of transparency in the market in determining the quantities of gas injected making it more susceptible to dispute.

The proposed rule amendments provide for non-market participants to agree to an allocation methodology in determining the quantities of non-firm gas injected, and if allocation methodology is not agreed, the quantities to be determined under the MSO Rules dispute resolution process.

Clarification of allocation arrangement will enable VENCORP to establish internal processes to meet its:

- daily obligations under the MSO Rules to estimate the market's financial exposure to each market participant's trading, and to ensure each market participant's financial security arrangements cover that exposure
- obligations to ensure the most accurate injection quantities are available for each participant as input to the market settlement process.

Participant suspension clauses

The proposed rule amendments **at Attachment 2** clarify VENCORP's mandatory and discretionary actions when it decides to suspend, revoke the suspension or deregister a market participant.

Specifically the proposed amendments:

- ensure that VENCORP is entitled to place conditions, including, but not limited to the total prohibition of a Market Participant's injection and withdrawal of gas and the offering of increase/decrease offers and nominations
- require VENCORP to specify in a suspension notice all conditions imposed by the suspension
- require VENCORP to specify a date when a Market Participant will be deregistered if it does not rectify the event that caused it to be suspended
- require VENCORP to deregister a Market Participant if it has not been able to demonstrate it has, by the deregistration date specified in the suspension notice, rectified the event that led to the issue of the suspension notice.

The proposed amendments will improve transparency relating to the suspension of a market participant.

Compensation clauses

The proposed amendments **at Attachment 3** re-structure the MSO Rules provisions relating to awarding of and liability for compensation for directions to inject gas and/or the application of an administered price cap under market suspension, force majeure, and IT failure preventing normal determination of market price.

At present, the MSO Rules allow market participant to claim compensation in most administered pricing periods¹ and also when VENCORP intervenes. Some of the observed inadequacies with the current provisions are that they do not:

- allow participants to claim compensation when an IT failure leads to an administered pricing event
- give participants sufficient opportunity to first resolve compensation claims through negotiation
- permit discretion in assigning liabilities for funding compensation payable to claimants

¹ A period during which an administered price cap will apply.

- accurately reflect the agreements of Gas Market Consultative Committee (GMCC)² when developing the current provisions for assigning liabilities for funding compensation.

Under the present MSO Rules, once compensation is made, a Compensation Panel³ is formed to determine the compensation amount in accordance with compensation guidelines. The MSO Rules then define how VENCORP could collect money from participants to fund the compensation claims.

The proposed rule amendments transfer the responsibility for determining compensation funding from VENCORP under the current MSO Rules to the Compensation Panel, using the methodology agreed by the GMCC, and thus provide for increased efficiency of allocating funding compensation liabilities.

The proposed rule amendments are also intended to provide for cheaper and less risky options for participants to resolve any compensation claims prior to engaging a formal mediation involving determination by an external panel.

The proposed rule changes ensure the allocation of liabilities is in accordance with the original intent of the GMCC when these rules were first developed.

Settlement revisions and dispute provisions

The proposed rule amendments at **Attachment 4** modify the process for making revisions and raising disputes to settlement statements for billing periods both before and after implementation of full retail contestability (FRC) on 26 October 2002.

At present, the MSO Rules provide for raising disputes in revised settlement statements⁴ relating to post-FRC billing period within 12 months of the issue date of the revised statements. Also, the Rules provide for revision of the revised statements within 12 months of the issue date if VENCORP becomes aware of a material error. However, the current MSO Rules do not have the same provisions for raising disputes on or revising of pre-FRC final settlement statements. These inconsistencies potentially expose participants to indefinite ongoing liability from revisions to pre-FRC final settlement statements.

The proposed rule amendments remove this exposure to ongoing liability by requiring disputes on amounts in pre-FRC final settlement statements to be raised within 18 months of the issue of the final statement, consistent with the approach adopted for billing periods post-FRC.

Also, at present, VENCORP is unable to correct any errors in a revised settlement that might be uncovered as a result of the yearly distribution wash up process⁵ if its issue date is outside the 12 month time limit.

² The GMCC is a committee established by the VENCORP Board of directors to provide it with the representative views of the gas market participants on matters concerned with the MSO Rules and their operation.

³ The Compensation Panel is a panel selected by the Advisor under clause 3.6.5A to make determinations relating to compensation during administered price periods and periods of intervention.

⁴ VENCORP is obligated to revise all post-FRC final statements 118 business days after their issue date. This does not apply to pre-FRC final statements.

⁵ The distribution wash up process is conducted under the direction of Essential Services Commission and is outside VENCORP's process. The main purpose of the wash up process is to determine the actual percent of distribution unaccounted for gas (UAFG) so as to reconcile it with the benchmark UAFG. In doing so, the

Currently, the wash up process commences in July and takes about three months to be completed. Effectively, the wash up process cycle is about 15 months. This means that errors uncovered during a wash up process could not be revised if they were outside the 12 months timeframe allowed for revision to settlement statements.

The proposed rule amendments resolve these problems by extending the timeframe from 12 months to 18 months for VENCORP to revise the pre-FRC final statements or the post-FRC revised statements to allow for correction to material errors up to and during the associated distribution wash up process. The timeframe within which participants may raise disputes relating to revised settlement statements is also increased from 12 to 18 months.

General minor amendments

The proposed rule amendments **at Attachment 5** correct minor drafting errors and thus clean up the MSO Rules or clarify the operation of existing clauses.

2. Criteria for assessing proposed revisions

VENCORP lodged its application for revision pursuant to section 2.28 of the Code. Section 2.33 of the Code allows the ACCC to approve proposed revisions to the Access Arrangement without requiring production of Access Arrangement Information or public consultation if:

- the revisions have been proposed by the Service Provider other than as required by the Access Arrangement; and
- the Relevant Regulator considers that the revisions proposed are not material and will not result in changes to reference tariffs or to the services that are reference services.

Section 2.46 of the Code provides that the ACCC may approve proposed revisions to an Access Arrangement only if it is satisfied the Access Arrangement as revised would contain the elements and satisfy the principles in sections 3.1 to 3.20 of the Code. In assessing proposed revisions, the ACCC must take into account:

- the factors described in section 2.24 of the Code; and
- the provisions of the Access Arrangement.

Section 2.24 requires that an Access Arrangement contain the elements and satisfy the principles set out in sections 3.1 to 3.20. These sections set out the elements that an Access Arrangement must include as a minimum – namely a services policy, reference tariffs, terms and conditions, a capacity management policy, a trading policy, a queuing policy, an extensions/expansions policy and a review date.

Section 2.24 also requires that the ACCC take into account:

- the legitimate business interests of the Service Provider;
- firm and binding contractual obligations of the Service Provider or other persons (or both) already using the Covered Pipeline;

wash up process may also uncover errors in VENCORP's wholesale settlement statements.

- the operational and technical requirements necessary for the safe and reliable operation of the Covered Pipeline;
- the economically efficient operation of the Covered Pipeline;
- the public interest, including the public interest in having competition in markets (whether or not in Australia);
- the interests of Users and Prospective Users; and
- any other matters that the Relevant Regulator thinks are relevant.

3. Submissions

3.1 VENCORP'S SUBMISSION

VENCORP submitted that the proposed revisions (as constituted by the proposed rule changes) do not impact on the Access Arrangement in any material respect.

VENCORP considers that the proposed rule amendments would benefit the public and industry participants by:

- clarifying allocation arrangements in times when participants inject gas into the transmission system, and VENCORP'S obligations and liabilities
- removing participant exposure to ongoing liability from revisions to settlement statements greater than 18 month prior to settlement periods ending before 26 October 2002, whilst extending the period for revision of post-FRC revised settlement statements to allow correction of major errors up to and during the associated distribution of the unaccounted for gas wash-up process
- increasing efficiency of allocating costs of funding compensation liabilities
- providing cheaper and less risky options for participants to resolve any compensation claims prior to engaging in formal mediation involving determination by an external panel.

Prior to VENCORP submitting this application, it sought the views of the GMCC regarding the proposed rule amendments to the MSO Rules. All amendments, except extending the settlement revisions timeframe from 12 to 18 months, were unanimously endorsed by the GMCC. Nine members of the GMCC were in favour of the proposed extension of the timeframe while two, AGL and Energex, opposed it.

AGL'S opposition is based on the fact that, at present, the unaccounted for gas (UAFG) settlements resulting from the annual distribution wash up process are final and binding. This means it is not possible to alter the UAFG settlements taking account of any changes to VENCORP'S revised settlement statements. AGL notes this already is exposing market participants to inconsistent settlements and believes extending the timeframe to revise VENCORP'S statements would further exacerbate this problem.

Energex, after initially supporting the amendment, reversed its position on the basis that the extension of the timeframe presented a greater period of uncertainty for market participants.

The VENCORP Board approved all the proposed amendments to the MSO Rules in September 2004 including the extension of the timeframe from 12 to 18 months.

The Board considered that AGL and Energex had a valid point in that a 12 month period would provide greater certainty to Participants than an 18 month period. However, the Board also noted that leaving the timeframe for settlements revision at 12 months could prevent

revisions to wholesale settlements following the discovery of a data error in the wholesale settlements during the UAFG distribution wash up process, and that this could create a potentially larger issue for participants.

3.2 Submissions from interested parties

In the course of its public consultation relating to this application, the ACCC informed interested parties that VENCORP had proposed rule changes and that the ACCC believed that these proposed revisions met the criteria set out in section 2.33 of the Code, which would permit the ACCC to truncate the typical approval process.

No submissions were received on this issue.

The ACCC separately contacted AGL and Energex by phone to ascertain their opposition to the rule amendments of extending the timeframe from 12 to 18 months. Both AGL and Energex confirmed that their position had not changed and was as expressed in their written responses to the GMCC.

4. ACCC's assessment

4.1 Need for access arrangement information/public consultation

The ACCC is satisfied that the criteria in section 2.33 of the Code is met. Therefore, the ACCC has decided to dispense with the requirement to produce access arrangement information and any further public consultation process, as provided for under section 2.33 of the Code. The ACCC also considers that the release of a draft decision is not warranted.

4.2 Compliance of the access arrangement as revised

In the context of section 2.46 of the Code, the ACCC considered a number of broader issues relating to the assessment of an access arrangement as revised in its evaluation of revisions proposed by GasNet in 2004.⁶ In particular, it noted the possibility that circumstances could change between the time an access arrangement is approved and the time revisions are subsequently lodged such that the access arrangement as revised would not continue to satisfy the requirements of sections 3.1 to 3.20 of the Code (including the requirements of section 8, as provided by sections 3.4 and 3.5). In that instance the ACCC concluded that:⁷

In order to form a view that circumstances have changed such that the access arrangement as revised would no longer satisfy the requirements of sections 3.1 to 3.20, the ACCC would need to reassess various factors that contribute to the reference tariffs.

To the extent that such an assessment would be similar in scope to a scheduled review of an access arrangement, it would impose substantial costs on GasNet and interested parties.

The ACCC does not consider such a reassessment to be justified at this time given the nature and scope of the current proposed revisions.

The ACCC is of the view that these considerations are also relevant to its assessment of VENCORP's application, given that the proposed revisions are not material, only relate to

⁶ ACCC, *Final Decisions, GasNet Australia access arrangement revisions for the GasNet System*, 15 December 2004, pp. 5-10.

⁷ ACCC, *Final Decisions, GasNet Australia access arrangement revisions for the GasNet System*, 15 December 2004, pp. 5-6.

section 3.6 of the Code (terms and conditions) and do not impact on the other mandatory requirements of an access arrangement.

The ACCC is satisfied that the revisions would not impact in such a way that the access arrangement as revised would no longer contain the elements and satisfy the principles set out in sections 3.1 to 3.20 of the Code.

The ACCC has considered the matters set out in section 2.24 and is of the view that the current proposed revisions are not material and do not affect the substance of the MSO Rules. The ACCC does not consider that the proposed revisions alter the balance of the section 2.24 factors, which were considered in the last full review of VENCORP's access arrangement in 2002.

The ACCC notes that the proposed revisions have been supported by the GMCC. The ACCC considers that these changes will enhance VENCORP's Access Arrangement and improve the operation of the gas market by providing greater certainty in the application of the MSO Rules, which will be in the interests of VENCORP as well as users and potential users. Moreover, it is desirable that the MSO Rules in the Access Arrangement are identical to the MSO Rules as authorised.

5. Decision

The ACCC has taken into account the factors described in section 2.24 of the Code and the provisions of the Access Arrangement, and is satisfied that the revised Access Arrangement contains the elements and satisfies the principles set out in sections 3.1 to 3.20 of the Code.

Pursuant to section 2.46 of the Code, the ACCC approves the proposed revisions to the Access Arrangement which are the subject of this application.

This Final Decision is made on 9 February 2005. The revised Access Arrangement in this Final Decision will commence from 23 February 2005, unless an application for review of the Determination on the minor variations to authorisations A90831, A90832, and A90833 is made to the Australian Competition Tribunal.

If an application for review of the Determination is made to the Tribunal, the Access Arrangement will commence from:

- where the application is not withdrawn – the day on which the Tribunal makes a Determination on the review; or
- where the application is withdrawn – the day on which the application is withdrawn.

Attachment 1

Proposed amendments to the MSO Rules - allocating participant injection quantities

..... 3.5.2 Injection allocations

- (a) Subject to clause 3.5.2(o), 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 together appoint a single *Allocation Agent* to determine the quantity of gas which is to be treated as injected into the *transmission system* by each of those *Market Participants* from time to time at that *system injection point*.
- (o) **Subject to clause 3.5.2(p)**, where gas is injected by two or more *Participants* at a *system injection point* in a *trading interval* and *VENCorp* has required one or more of those *Participants* to inject gas in accordance with clause 6.6.4 then:
- (1) the quantity of gas treated as having been injected by each *Participant* who has injected gas in accordance with clause 6.6.4 shall be determined using an allocation methodology agreed by all *Participants* who inject gas at that *system injection point*, and
 - (2) any *Allocation Agent* appointed for that *system injection point* must take the quantity of gas treated as having been injected by each *Participant* into account when determining the quantity of gas treated as having been injected by each *Participant* at that *system injection point* in that *trading interval*.
- (p) Where an allocation methodology cannot be agreed and the quantities cannot be determined in accordance with clause 3.5.2(o) within 10 *business days* of the *trading interval* in which the gas was injected, then determination of the quantities of gas to be treated as injected by each *Participant* must be determined using the dispute resolution procedures under clause 7.2.
- (q) Where an allocation methodology has not been agreed in accordance with clause 3.5.2(o) or quantities of gas have not been determined in accordance with 3.5.2(p) *VENCorp* must, for the purposes of:
- (1) monitoring *VENCorp's* estimated exposure to *Market Participants* under clause 3.7.9;
 - (2) the issue of the *preliminary statement* for a *billing period*;
 - (3) the issue of the *final statement* for a *billing period*; and/or
 - (4) the issue of the *revised statement* for a *billing period*.
- estimate the quantity of gas treated as having been injected by each *Participant* at the relevant *system injection point* and *VENCorp* must advise any *Allocation Agent* appointed in accordance with clause 3.5.2(a) for that *system injection point* accordingly.
- (r) *VENCorp* must develop and *publish* a methodology for the purpose of estimating the quantities of gas to be treated as injected by each *Participant* under clause 3.5.2(q).
- (s) Where the quantities of gas to be treated as injected by each *Participant* have been determined using the dispute resolution procedures under clause 7.2 *VENCorp* 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.
- (t) An *Allocation Agent* advised of quantities of gas in accordance with clauses 3.5.2(q) or 3.5.2(s) must take the quantity of gas treated as having been injected by each *Participant* into account when determining the quantity of gas treated as having been injected by each *Participant* at that *system injection point* in that *trading interval*.

Attachment 2

Proposed amendments to the MSO Rules – participant suspension clauses

2.3 SUSPENSION

- (a) Subject to clause 2.3(b), if a *Market Participant* receives a *suspension notice* from *VENCorp* in accordance with any provision of these Rules, that *Market Participant* is suspended from participation in the *market* in accordance with the suspension notice unless and until *VENCorp* in its absolute discretion declares the *suspension notice* to be revoked in accordance with clause 3.7.7.

3.6.21 Payment default procedure

- (c) If:
- (2) a *default event* is not remedied within 24 hours of the issue of the *default notice* or any later deadline agreed to in writing by *VENCorp*; or
 - (3) *VENCorp* receives notice from the defaulting *Market Participant* that it is not likely to remedy the default specified in the *default notice*,
- then *VENCorp* must issue a *suspension notice* in accordance with clause 3.7.7.

3.7.7 Suspension of a Market Participant

- (a) When issuing a *suspension notice* under these Rules, *VENCorp* must:
- (1) *publish* the *suspension notice*;
 - (2) as soon as practicable place a notice in a newspaper generally circulating in Victoria stating that the *Market Participant* has been suspended;
 - (3) specify in the *suspension notice* the conditions applied to the suspended *Market Participant*, which may include, but is not limited to:
 - (A) submitting *nominations* and/or *inc/dec offers*;
 - (B) injecting gas, or tendering gas for injection, into the *transmission system*; or;
 - (C) withdrawing gas, or tendering gas for withdrawal, from the *transmission system*;
 - (4) specify a date in the *suspension notice* upon which that *Market Participant* will be deregistered if the *suspension notice* has not been revoked under clause 3.7.7(b); and
 - (5) specify a date in the *suspension notice* from which the suspension will commence.
- (b) Prior to the date specified in 3.7.7(a)(4), *VENCorp* must revoke a *suspension notice* if:
- (1) in the case of a *default event*, the *default event* is remedied; or
 - (2) in the case of a failure to maintain compliance with *prudential requirements* under this clause 3.7, that failure has been remedied; and

- (3) there are no other circumstances in existence which would entitle *VENCorp* to issue a *suspension notice*,
- (c) If a *suspension notice* is revoked, *VENCorp* must publicise that fact in the same manner in which the *suspension notice* was publicised in accordance with clause 3.7.7(a).
- (e) A *Market Participant* must comply with a *suspension notice* issued to it under these Rules.
- (f) Following the issue of a *suspension notice* to a *Market Participant*, *VENCorp* may do all or any of the following to give effect to the *suspension notice*:
 - (1) reject any *nomination* or *inc/dec offer* submitted by that *Market Participant*;
 - (2) refuse to accept delivery of any gas injected, or tendered for injection, by that *Market Participant*;
 - (3) take such action as *VENCorp* considers necessary to prevent that *Market Participant* from injecting or withdrawing gas, including without limitation taking any action necessary to *curtail* the supply of gas to that *Market Participant*; and
 - (4) withhold the payment of any amounts otherwise due to that *Market Participant* under these Rules.
- (g) If *VENCorp* does any of the things referred to in clause 3.7.7(f) it must promptly *publish* a notice of that fact.
- (ga) If a *suspension notice* has been issued to a *Market Participant*, and that *suspension notice* has not been revoked under clause 3.7.7(b), then on the date specified under 3.7.7(a)(4), *VENCorp* must deregister that *Market Participant* and *publish* a notice to that effect.

3.7.10 Margin calls

- (e) If a *Market Participant* fails to satisfy a *margin call* by providing an additional security or making a prepayment under clause 3.7.10(b) within the time referred to in that clause, then *VENCorp* must give the *Market Participant* a *suspension notice* in accordance with clause 3.7.7.
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Attachment 3

Proposed amendments to the MSO Rules - compensation clauses

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3.6.5A Establishment of the Compensation Panel

- (a) A *Participant* who wishes to make a claim under clauses 6.6.5 or 6.7.6 must submit notice of its claim to *VENCorp* within ten *business days* following the issue of the *final statement* for that *trading interval* in which the *Participant* made the injection of gas referred to in the claim.
- (b) Subject to clause 3.6.5A(c), when a *Participant* notifies *VENCorp* of their intention to claim compensation under clauses 6.6.5 or 6.7.6, that *Participant* must specify a date from which *VENCorp* has five *business days* to request the *Adviser* to establish the *compensation panel* under clause 3.6.5A(e).
- (c) The date specified in clause 3.6.5A(b) must be no greater than thirty *business days* following the issue of the *final statement* for the *trading interval* for which the claim has been made.
- (d) A *Participant* may withdraw a claim at any time. Where the claim is withdrawn after referral by *VENCorp* to the *Adviser*, the *Participant* will pay any costs of the *Adviser* in establishing the *compensation panel* and costs of any members of the *compensation panel* arising from their consideration of the claim.
- (e) If a *Participant* has not withdrawn a claim under clause 3.6.5A(d), then *VENCorp* must:
 - (1) within five *business days* of the date specified in clause 3.6.5A(b), request the *Adviser* to establish a *compensation 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
 - (2) refer the claim to the *Adviser* for determination by the *compensation panel*.
- (f) The *Adviser* must:
 - (1) within five *business days* of receiving a request from *VENCorp*, establish a *compensation panel* of three members from the group of persons referred to in clause 7.2.2; and
 - (2) be satisfied that the persons it chooses to comprise the *compensation panel* do not have any interests which could conflict with an impartial decision.
- (g) Upon a referral of a claim to it, the *compensation panel* must make a determination pursuant to clause 3.6.6 and notify *VENCorp* of that determination as soon as practicable but in any event within twenty *business days* following the establishment of the *compensation panel* under clause 3.6.5A(f) (or such longer period as the *Adviser* may permit following a request by the *compensation panel* for an extension of time).
- (h) The *compensation panel* must conduct itself on the same basis as a *dispute resolution panel* under clause 7.2.4.
- (i) In consultation with *Participants*, *VENCorp* must develop and update *compensation guidelines* which describe the principles and methodology upon

which the *compensation panel* will base its determination of amounts payable under clause 3.6.6.

3.6.6 Determinations by Compensation Panel

- (a) The *compensation panel* must make a determination in accordance the *compensation guidelines* on:
 - (1) amounts of compensation to be paid by *VENCorp* to a *Participant* in respect of claims made by that *Participant* under clauses 6.6.5 or 6.7.6; and
 - (2) amounts to be paid to *VENCorp* by *Market Participants* and *Transmission Pipeline Owners*, including amounts to be paid to *VENCorp* from the *linepack account*, to fund compensation payment amounts determined under clause 3.6.6(a)(1).
- (b) The *compensation panel* must notify *VENCorp* of the methodology used to reach its determination on amounts payable under clause 3.6.6(a) and the reasons for its decisions in this regard.
- (c) *VENCorp* must provide the details provided by the *compensation panel* under clause 3.6.6(b), excluding all *confidential information*, to all affected *Participants* as soon as reasonable.
- (d) For the avoidance of doubt, the total of amounts determined by the *compensation panel* under 3.6.6(a)(2) must equal the total of amounts determined by it under 3.6.6(a)(1).
- (e) If the *compensation panel* makes a determination that compensation should be paid to a *Participant*, *VENCorp* must pay that *Participant* those amounts and must advise the *Participant* as soon as practicable of the determination and of the date *VENCorp* intends to pay the *Participant*.
- (f) *VENCorp* must pay interest on the amounts determined in accordance with clause 3.6.6(a)(1) at the *interest rate* from the day following the date of the next payment of *settlement amounts* made under clause 3.6.17 following the determination of the *compensation panel* to the date when *VENCorp* actually pays the *Participant* the amount of the compensation determined. Interest is to be calculated on a daily basis and aggregated for the period.
- (g) If the *compensation panel* determines that an amount is payable in respect of compensation claimed by a *Participant* in accordance with clause 6.6.5 or 6.7.6, then *VENCorp* is entitled to recover those payments from *Participants* in accordance with this clause 3.6.6 and each *Market Participant* and *Transmission Pipeline Owner* must pay to *VENCorp* an amount determined in accordance with this clause 3.6.6.
- (h) In making its determination under clause 3.6.6(a)(2) of amounts payable by *Market Participants*, if the *compensation panel* determines that an amount is payable from the *linepack account* to *VENCorp* to fund compensation payments determined under clause 3.6.6(a)(1), then *VENCorp* shall be entitled to be paid this amount from the *linepack account*.
- (i) If the *compensation panel* determines that an amount is payable by a *Market Participant* or *Transmission Pipeline Owner* under clause 3.6.6(a)(2) then *VENCorp* must seek the direction the Board of Directors of *VENCorp* as to the manner by which that amount is to be paid to *VENCorp* by that *Market Participant* or *Transmission Pipeline Owner*. *VENCorp* must seek that

direction at the next meeting of the Board for which submissions are still being received. The Board may determine that the payment be paid in instalments or deferred for a specified period of time.

- (j) If the Board of Directors of *VENCorp* under clause 3.6.6(i):
- (1) (A) fails to make a determination at the Board meeting to which *VENCorp* has made a submission, or
- (B) determines not to defer the amount payable, and
- (C) determines not to allow the payment of the amount payable by instalment,
- then *VENCorp* must include the whole of the amount payable in the next *settlement statement* following the Board of Directors meeting.
- (2) determines that:
- (A) the amount payable shall be paid in instalments, or
- (B) the payment of the amount payable shall be deferred for a specified period of time
- then *VENCorp* must include in the next *settlement statement* following the Board of Directors determination, the details of the total amount to be paid by that *Market Participant*, the instalment amounts to be paid and the dates by which each instalment is to be paid or the deferred date by which the whole amount is to be paid, as the case may be.
- (k) *Market Participants* and *Transmission Pipeline Owners* must pay interest on amounts determined in accordance with clause 3.6.6(a)(2) at the *interest rate* from the day following the date of the next payment of *settlement amounts* following the determination of the *compensation panel* to the date when the *Market Participant* or *Transmission Pipeline Owner* actually pays the amount to *VENCorp*. Interest is to be calculated on a daily basis and aggregated for the period.

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3.6.12 Linepack payments

- (a) *VENCorp* must clear the balance on the *linepack account* each month by charging or making payments to *Market Participants* in accordance with this clause 3.6.12.
- (b) If the sum of daily *linepack debits* for the relevant month plus the sum of payments made to *VENCorp* in accordance with clause 3.6.6(h) for the relevant month less the absolute sum of daily *linepack credits* for the relevant month (as determined under clause 3.6.10(c)) is a positive amount, each *Market Participant* who withdrew gas from the *transmission system* in that month must pay *VENCorp* an amount calculated as follows:

$$PM = \frac{DB \times QW_i}{\sum QW_i}$$

Where:

PM is the amount which the *Market Participant* must pay;

DB is the sum of daily *linepack debits* for the relevant month plus the sum of payments made to *VENCorp* in accordance with clause 3.6.6(h) for the relevant month less the absolute sum of daily *linepack credits* for the relevant month (as determined under clause 3.6.10(c));

QW_i is the quantity of gas withdrawn from the *transmission system* by that *Market Participant* in that month; and

ΣQW_i is the total quantity of gas withdrawn from the *transmission system* by all *Market Participants* in that month.

- (c) If the sum of daily *linepack debits* for the relevant month plus the sum of payments made to *VENCorp* in accordance with clause 3.6.6(h) for the relevant month less the absolute sum of daily *linepack credits* for the relevant month (as determined under clause 3.6.10(c)) is a negative amount, *VENCorp* must pay each *Market Participant* who withdrew gas from the *transmission system* in that month an amount calculated as follows:

$$PV = \frac{CB \times QW_i}{\Sigma QW_i}$$

Where:

PV is the amount which *VENCorp* is required to pay to the *Market Participant*;

CB is the sum of daily *linepack debits* for the relevant month plus the sum of payments made to *VENCorp* in accordance with clause 3.6.6(h) for the relevant month less the absolute sum of daily *linepack credits* for the relevant month (as determined under clause 3.6.10(c));

QW_i is as defined in clause 3.6.12(b); and

ΣQW_i is as defined in clause 3.6.12(b).

- (d) Any amount which a *Market Participant* or *VENCorp* must pay pursuant to this clause 3.6.12 must be included by *VENCorp* in the *Market Participant's settlement statement* for the relevant month.

6.6.5 Participant claims in respect of intervention

(a) Where *VENCorp*:

- (1) *intervenes* in the *market* under clause 6.6.4 to require a *Participant* to inject gas; and
- (2) that *Participant* experiences a net auditable financial reduction as a direct result of making that injection,

then that *Participant* may submit a claim to *VENCorp* for compensation in respect of the injection in accordance with clause 3.6.5A .

6.7.6 Participant claims in respect of application of administered price cap

(a) *Participants* may claim compensation from *VENCorp* in accordance with clause 3.6.5A in respect of gas injected into the *transmission system* if, due to the application of an *administered price cap*:

- (i) the resultant *market price* payable to that *Participant* in any *trading interval* is less than the price specified in their *injection inc/dec offer* for that *trading interval*; or
- (ii) *ancillary payments* to the *Participant* for the gas injected are reduced in accordance with clause 3.6.7(a)(3) from what otherwise would have been the case.

11. GLOSSARY

administered price cap	A price cap determined in accordance with clause 6.7.1 which will apply during an <i>administered price period</i> .
administered price period	A period during which an <i>administered price cap</i> will apply.
compensation panel	A panel selected by the <i>Adviser</i> under clause 3.6.5A to make determinations relating to compensation during <i>administered price periods</i> and periods of <i>intervention</i> .
compensation guidelines	Guidelines developed by <i>VENCorp</i> in accordance with clause 3.6.5A(i), which describe the principles and methodology upon which the <i>compensation panel</i> should base its determination of amounts payable under clause 3.6.6 in relation to claims for compensation.

Attachment 4

Proposed amendments to the MSO Rules - settlement revisions and dispute provisions

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3.6.18 Disputes

- (aa) Where a *Market Participant* wishes to dispute a *settlement amount* stated in a *settlement statement* or the supporting data for a *billing period*, it must do so only in respect of the most recently issued *settlement statement* for that relevant *billing period*.
- (a) Subject to clause 3.6.18(d), if a dispute arises between a *Market Participant* and *VENCorp* concerning either:
 - (1) the *settlement amount* stated in a preliminary statement provided under clause 3.6.14 to be payable by or to a *Market Participant*; or
 - (2) the supporting data provided in accordance with clause 3.6.14,they must each use reasonable endeavours to resolve the dispute within fifteen *business days* after the end of the relevant *billing period*.
- (b) Subject to clause 3.6.18(d), if a dispute arises between a *Market Participant* and *VENCorp* during the period between the issue of a *final statement* and the issue of a *revised statement* in accordance with clause 3.6.19(c) concerning either:
 - (1) the *settlement amount* stated in a *final statement* provided under clause 3.6.15 to be payable by or to a *Market Participant*; or
 - (2) the supporting data provided in accordance with clause 3.6.15,they must each use reasonable endeavours to resolve the dispute within 113 *business days* after the end of the *billing period*.
- (baa) Subject to clause 3.6.18(d), disputes in respect of:
 - (1) the *settlement amount* stated in a *final statement* provided under clause 3.6.15 for a *billing period* ending before 26 October 2002 ~~provided under clause 3.6.15~~ to be payable by or to a *Market Participant*; or
 - (2) the supporting data provided in accordance with clause 3.6.15,must be raised within eighteen (18) months of the *final statement* issue date.
- (bab) Subject to clause 3.6.18(d), disputes in respect of:
 - (1) the *settlement amount* stated in a *revised statement* provided under clause 3.6.19 to be payable by or to a *Market Participant*; or
 - (2) the supporting data provided in accordance with clause 3.6.19,must be raised within eighteen (18) months of the *revised statement* issue date.
- (c) Disputes raised in relation to a *revised statement* must be resolved by agreement or pursuant to the dispute resolution procedures set out in clause 7.2.
- (d) Disputes arising in relation to payments determined under the *Retail Gas Market Rules* shall not be determined under these Rules and must be determined under the dispute provisions of the *Retail Gas Market Rules*.

3.6.19 Revised statements

Clauses 3.6.19(a) and 3.6.19 (b) deleted by notice in the Government Gazette dated 19 October 2003.

- (c) For a *billing period* commencing on or after 26 October 2002, *VENCorp* must revise each *final statement* issued in accordance with clause 3.6.15 using, for the purpose of that revision, the most recent information available to *VENCorp* on the 118th *business day* after the relevant *billing period*, and *VENCorp* must issue a *revised statement* for the relevant *billing period* in accordance with clause 3.6.19(d).
 - (ca) If, within eighteen (18) months of the issue of a *final statement* under clause 3.6.15 for a *billing period* ending before 26 October 2002 or a *revised statement* under clause 3.6.19(c), *VENCorp* becomes aware of an error in an amount stated in that *final statement* or *revised statement* and in *VENCorp'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 *VENCorp* must:
 - (1) advise each Market Participant likely to be materially affected by the error within five (5) business days of *VENCorp* deciding the error is material, and
 - (2) as soon as practicable issue *revised statements* for the relevant *billing period* in accordance with clause 3.6.19(d).
 - (cb) If an amount in a *revised statement* issued under clauses 3.6.19(c) or 3.6.19(ca) has been the subject of a dispute and the dispute has been resolved in any way which causes the amount payable to differ from the amount payable in the disputed *revised statement* then *VENCorp* must issue to each *Market Participant* affected by the resolution of the dispute a *revised statement* in accordance with clause 3.6.19(d).
 - (d) *VENCorp* 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 this clause 3.6.19 setting out:
 - (1) the amount payable by the *Market Participant* to *VENCorp* or, subject to clause 3.6.22, the amount payable by *VENCorp* to the *Market Participant*; and
 - (2) the adjustment to the *final statement* as agreed or determined plus interest calculated on a daily basis at the *interest rate* for the period from the *payment date* applicable to the *final statement* to which the adjustment relates to the *payment date* applicable to the *revised statement* issued under this clause 3.6.19(d).
 - (e) The statements issued under this clause 3.6.19 must include supporting data for all amounts payable which must be sufficient to enable each *Market Participant* to audit the calculation of the amount payable by or to that *Market Participant*.
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Attachment 5

Proposed amendments to the MSO Rules – general minor amendments

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3.1.13 Failure to conform to scheduling instructions

- (d) A *Market Participant* is not obliged to comply with a *scheduling instruction* issued in respect of an *injection nomination* or an *inc/dec offer*:
- (1) to the extent that it is unable to do so due to a *participant force majeure event* determined in accordance with clause 3.1.13(dc); or
 - (2) if in the case of the *Market Participant*, not being a *Producer* or *Storage Provider*, having ordered a quantity of gas from a *Producer* or other person to enable it to comply with that *injection nomination* or *inc/dec offer* 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
 - (3) if in the case of the *Market Participant* also being a *Producer* or *Storage 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 *injection nomination* or an *inc/dec offer* in good faith.
- (da) In clause 3.1, an *injection nomination* or an *inc/dec offer* is taken to be made in good faith if at the time of making an *injection nomination* or *inc/dec offer*, the *Market Participant* had a genuine intention to honour that *injection nomination* or *inc/dec offer* if the material conditions and circumstances upon which the *injection nomination* or an *inc/dec offer* was based remained unchanged.
- (e) Subject to clause 3.1.13(b), if a *Market Participant* fails to comply in any material respect (as determined by *VENCorp* in its reasonable opinion) with a *scheduling instruction* issued in respect of an *injection nomination* or an *inc/dec offer* and is not excused from complying with that *scheduling instruction* under clause 3.1.13(d), then:
- (1) the gas injection or gas withdrawal which is the subject of that *scheduling instruction* must be declared by *VENCorp* to be non-conforming; and
 - (2) the relevant *Market Participant* may be liable to pay financial penalties or other sanctions imposed under the *Gas Industry Act* for breach of these Rules.
-

3.2.1 Determination of market price

- (f) The *pricing schedule* for a *gas day* will determine:
- (1) the *market price* for each *pricing zone* for that *gas day*;
 - (2) the quantity 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 clause 3.2.1(c).
-

3.2.4 VoLL

- (a) If injections and withdrawals of gas as determined under clause 3.2.1(f)(2) imply that *curtailment* would have occurred in a *pricing zone* in a *trading*

interval (whether or not *curtailment* actually occurs) the *market price* for that *pricing zone* and that *trading interval* is *VoLL*.

3.6.7 Ancillary payments

- (a) (3) If the *administered price cap* applies during a *trading interval*, then for the purposes of determining *ancillary payments* payable to a *Market Participant* under this clause 3.6.7 any injection or withdrawal of gas by that *Market Participant* is deemed to be made in accordance with an *inc/dec offer* for which the *price steps* are deemed to be no greater than the *administered price cap*.
-

3.6.10 Linepack account

- (a) *VENCorp* must maintain a *linepack account* for the purpose of recording the *linepack credit* or *linepack debit* which is required to be made in respect of each *gas day* (as determined in accordance with clause 3.6.10(c)).
- (b) *VENCorp* must record in the *linepack account* all *linepack credits* and *linepack debits*.
- (c) *VENCorp* must determine the amount of any *linepack credit* or *linepack debit* which it is required to record in the *linepack account* in respect of each *gas day* in accordance with the following formula:

$$Q = (I-W) \times PM$$

Where:

- Q** is the amount of the *linepack debit* (where Q is a positive amount) or the amount of the *linepack credit* (where Q is a negative amount) in respect of that *gas day*;
- I** is the total quantity of gas injected into the *transmission system* during that *gas day*;
- W** is the total quantity of gas withdrawn from the *transmission system* during that *gas day*;
- PM** is the *market price* for that *gas day*.
- (d) The *linepack account* must record both quantities, expressed in joules, and monetary values.
-

3.6.23 Interest on overdue amounts

- (a) A *Market Participant* or *VENCorp*, as the case may be, must pay interest on any unpaid moneys due and payable by it under this clause 3.6.
- (b) The rate of interest payable under clause 3.6.23(a) is the *default interest rate* calculated as simple interest on a daily basis from the date payment was due, up to and including the date on which payment is made, with interest compounding on monthly rates on the last day of each month whilst the unpaid moneys remain outstanding.
-

3.7.9 Monitoring

- (a) Each *business day*, *VENCorp* must review its estimated exposure to each *Market Participant* in respect of previous *billing periods* under these Rules and the *Retail Gas Market Rules*.

.....

SCHEDULE 4.2 METERING REGISTER

2. Metering register information

Metering information to be contained in the *metering register* should include such information as *VENCorp* considers reasonably necessary and by way of example, may include the following:

- (a) *Meter* identification:
 - (1) *metering installation* registration number (MIRN);
 - (2) logical meter identification - if a logical meter; and
 - (3) logical meter algorithm - if a logical meter.
-

4.4.2 Obligations of Market Participants to establish metering installations

- (c) Before a *Market Participant* can inject gas at a *connection point* on a *distribution pipeline*, 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*:
 - (1) ensure that there is a *metering installation* at that *connection point* or *distribution delivery point*;
 - (2) ensure that *metering installation* is installed in accordance with this clause 4.4 and is accurate in accordance with clause 4.4.8; and
 - (3) register that *metering installation* with *VENCorp*.
-

4.4.24 DATA VALIDATION AND SUBSTITUTION

- (g) If an *affected Participant* disputes a substitution made by *VENCorp* pursuant to this clause 4.4.24, the following provisions apply:
 - (1) the *affected Participant* must give notice of the dispute and the matters dispute to *VENCorp*;
 - (2) as soon as reasonably practicable after receiving a notice pursuant to paragraph (1), *VENCorp* must give notice of the dispute and the matters disputed to each *affected Participant*;
 - (3) the *affected Participants* must use their reasonable endeavours to resolve the dispute and agree the substituted readings; and
 - (4) 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 *VENCorp* is required to issue *final statements*, *VENCorp* must use the substituted readings determined by it pursuant to clause 4.4.24(f) and the dispute must be referred to the *Adviser* for resolution in accordance with clause 7.2.
-

4.4.25 CONFIDENTIALITY

Data provided to *VENCorp* for *settlement* purposes in accordance with the *Retail Gas Market Rules* and all *metering data* and all passwords provided in accordance with clause 4.4 of these rules are confidential and each *Participant* must ensure that they are treated as *confidential information* in accordance with these Rules.

.....

5.1.4 SPOT MARKET

- (a) *VENCorp* must *publish preliminary operating schedules* and *final operating schedules* in accordance with and at the times specified in clause 3.1.

- (b) Each *preliminary operating schedule* and *final operating schedule* must include the following details for the relevant *gas day* in respect of the *transmission system* unless otherwise specified below:
- (1) forecasts of the most probable peak daily demand and peak hourly demand and the times at which those peaks are forecast to occur;
 - (2) forecasts of peak hourly demand which *VENCorp* predicts to have a 10% and 90% probability respectively of being exceeded and the time at which those peaks are forecast to occur;
 - (3) forecasts of the demand for each *trading interval*;
 - (4) forecast supply for each *trading interval*;
 - (5) details of forecast threats to *system security*, including the forecast time, location and extent of each such threat;
 - (6) forecasts of the *market price* for each *trading interval* and each *pricing zone*; and
 - (7) details of the expected sensitivity of the forecast *market prices* to changes in the forecast demand or supply availability;
 - (8) forecast locational prices for each hour of the *gas day*;
 - (9) forecast *EoD linepack*;
 - (10) the linepack which *VENCorp* requires in respect of that *gas day*; and
 - (11) details of the total quantity of gas *scheduled* in accordance with *withdrawal inc/dec offers* in each *system withdrawal zone* or such other area that *VENCorp* considers appropriate having regard to the commercial sensitivity of information relating to the demand and consumption patterns of *Customers* and the requirements of clause 5.2.4(f).
- (e) By 4.00pm each day, *VENCorp* must *publish* for each *trading interval* in the previous *gas day*:
- (1) the *market price*;
 - (2) the aggregate quantity of withdrawals of gas from each *system withdrawal zone* or such other area that *VENCorp* considers appropriate having regard to the commercial sensitivity of information relating to the demand and consumption patterns of *Customers* and the requirements of clause 5.2.4(f);
 - (3) without limitation, prices and quantities of gas specified in *inc/dec offers*;
 - (4) aggregate quantities of gas specified in *nominations*;
 - (5) details of the total quantity of gas injected into the *transmission system* at each *system injection point*;

.....

5.3.5 Transfer of authorised MDQ or AMDQ credit certificates

- (b) *VENCorp* must develop and *publish* procedures for the transfer of *authorised MDQ* or *AMDQ credit certificates* between parties in accordance with this clause 5.3.5 and must do so in consultation with *Participants* and other persons *VENCorp* reasonably considers may have an interest in the development of those procedures.
-

5.4.1 Confidentiality

- (a) The *Advisor* and *dispute resolution panel* members appointed in accordance with clause 7.2, each *Participant* and *VENCorp* must keep confidential any *confidential information* which comes into their possession or control of which they become aware.

7.2.2 Appointment of Adviser and panel group

- (a) *VENCorp* must appoint a person from time to time to be the *Adviser*:
 - (1) for a term of three years (subject to clause 7.2.2(d)) and the *Adviser* is then eligible for reappointment;
 - (2) on such other terms and conditions as *VENCorp* may determine; and
 - (3) who must satisfy the criteria set out in clause 7.2.2(b).
- (b) The *Adviser* must, in the reasonable opinion of *VENCorp*, not be a *Participant* or have a current material association, directly or indirectly, with a *Participant* or *VENCorp*.
- (c) In appointing the *Adviser*, *VENCorp* must have regard to the extent to which the *Adviser*:
 - (1) has a detailed understanding and experience of alternative dispute resolution practice and procedures which do not involve litigation;
 - (2) has the capacity to determine the most appropriate alternative dispute resolution procedures in particular circumstances; and
 - (3) has an understanding of the gas industry.
- (d) If the *Adviser* does not, in the reasonable opinion of *VENCorp*, continue to meet the requirements of clause 7.2.2(b) or clause 1.5.2(a) of the *Retail Gas Market Rules*, *VENCorp* may terminate the appointment of the *Adviser* and appoint a new *Adviser*.
- (e) *VENCorp*, in consultation with the *Adviser*, must select at least seven persons to constitute the group from which a *dispute resolution panel* can be selected in accordance with clause 7.2.4(a)(2) and (3) of these Rules and clause 1.5.2(c) of the *Retail Gas Market Rules*.
- (f) Subject to clause 7.2.2(h), each person appointed to the group under clause 7.2.2(e):
 - (1) is appointed for one year and is then eligible for reappointment; and
 - (2) is appointed on such other terms and conditions as *VENCorp* determines.
- (g) In appointing the group under clause 7.2.2(e), *VENCorp* and the *Adviser* must have regard to the extent to which the members of the group between them:
 - (1) have some understanding and experience of alternative dispute resolution practice and procedures which do not involve litigation; and
 - (2) have an understanding of the gas industry.
- (h) *VENCorp* may change the composition of the group selected under clause 7.2.2(e) from time to time in consultation with the *Adviser*.

8.8 IMPLEMENTATION OF RULE CHANGE

- (a) If the *Regulator* has granted an authorisation (including a variation of an existing authorisation) or approved an *access arrangement* (including amendment of an existing *access arrangement*) as contemplated by clause 8.7, *VENCorp* must provide written notice of the Rule change to all *Participants* as soon as practicable and in any event within 5 *business days* from the date the determination takes effect.
- (b) A notice to *Participants* provided by *VENCorp* under clause 8.8(a) must specify the date on which the Rule change is to take effect which must be a date no more than seven days after that notice is sent to *Participants* by *VENCorp*, unless:

- (1) *VENCorp* in its absolute discretion considers there to be justification for implementing the Rule change with effect from a date more than seven days after that notice is sent to *Participants*; or
 - (2) these Rules require the Rule change to take effect after or within a particular period which is more than seven days after that notice is sent to *Participants*,
- in which case the Rule change will take effect on the date specified in that notice.

10.3 TIMES AND DATES

- (d) Notwithstanding any other provision of these Rules, *VENCorp* may, with the prior agreement of all affected *Participants*, amend any amount, date, time or period of time specified in these Rules in any particular case or generally, whether before or after the expiry of that date, time or period of time as the case may be, provided that if such agreement is not obtained, *VENCorp* may, on notice given to all affected *Participants* and with the approval of the *Regulator*, amend any such amount, date, time or period of time in any particular case or generally, whether before or after the expiry of that date, time or period of time, as the case may be.

11. GLOSSARY

Host Retailer	For the distribution system operated by TXU Networks (Gas) Pty Ltd (ACN 086 015 036) and its successors the <i>Host Retailer</i> is Pulse Energy Pty Ltd (ACN 090 538 337) and its successors. For the distribution system operated by Vic Gas Distribution Pty Ltd (ACN 085 899 001) and its successors the <i>Host Retailer</i> is TXU Pty Ltd (ACN 086 014 968) and its successors. For the distribution system operated by The Albury Gas Co Ltd (ACN 000 001 249) and its successors the <i>Host Retailer</i> is TXU Pty Ltd (ACN 086 014 968) and its successors. For the distribution system operated by Multinet Gas (DB N0 1) Pty Ltd (ACN 086 026 986) and Multinet Gas (DB N0 2) Pty Ltd (ACN 086 230 122) (trading as “Multinet Partnership”) and its successors the <i>Host Retailer</i> is Origin Energy (Vic) Pty Ltd (ACN 086 013 283) and its successors.
publish	The posting of information on the <i>market information bulletin board</i> or the <i>VENCorp</i> web site.
settlement statement	A statement issued by <i>VENCorp</i> in the form of a preliminary statement under clause 3.6.14, a <i>final statement</i> under clause 3.6.15 or a revised statement under clause 3.6.19.

3.6.3 Trading amounts for trading intervals

- (a) *VENCorp* must determine for each *trading interval*:

- (1) each *Market Participant's trading imbalance* for that *trading interval* in accordance with clause 3.6.4;
 - ~~(2) each *Market Participant's daily EoD linepack credit* or *daily EoD linepack debit* for that *trading interval* in accordance with clause 3.6.9;~~
 - (3) the *ancillary payment* (if any) payable to each *Market Participant* in respect of that *trading interval* in accordance with clause 3.6.7;
 - (4) the *uplift payment* (if any) payable by each *Market Participant* in respect of that *trading interval* in accordance with clause 3.6.8;
 - (5) the *market price* for that *trading interval* in accordance with clause 3.2; and
 - (6) the *trading amount* for each *Market Participant* for that *trading interval*, as determined in accordance with clause 3.6.3(b).
- (b) The *trading amount* for a *Market Participant* for a *trading interval* equals the sum of:
- (1) that *Market Participant's trading imbalance* for that *trading interval* (determined in accordance with clause 3.6.4) multiplied by the *market price* for that *trading interval*; ~~plus~~
 - ~~(2) that *Market Participant's daily EoD linepack credit* (if any) for that *trading interval* determined in accordance with clause 3.6.9; minus~~
 - ~~(3) that *Market Participant's daily EoD linepack debit* (if any) for that *trading interval* determined in accordance with clause 3.6.9.~~

.....

11. GLOSSARY

daily EoD linepack credit	An amount determined in respect of each <i>gas day</i> for each <i>Market Participant</i> in accordance with clause 3.6.9(a).
daily EoD linepack debit	An amount determined in respect of each <i>gas day</i> for each <i>Market Participant</i> in accordance with clause 3.6.9(a).
standing EoD linepack bid	An <i>EoD linepack bid</i> that is expressed to apply in respect of each consecutive <i>gas day</i> until a future specified date or until revoked or deemed to be revoked.

End.