



Draft National Gas Amendment (Market Operator Service - timing and eligibility) Rule 2013 No.

under the National Gas Law to the extent applied by:

- (a) the National Gas (South Australia) Act 2008 of South Australia;
- (b) the National Gas (ACT) Act 2008 of the Australian Capital Territory;
- (c) the National Gas (New South Wales) Act 2000 of New South Wales;
- (d) the National Gas (Queensland) Act 2008 of Queensland;
- (e) the National Gas (Tasmania) Act 2008 of Tasmania;
- (f) the National Gas (Victoria) Act 2008 of Victoria; and
- (g) the National Gas (Northern Territory) Act 2008 of Northern Territory;
- (h) the Australian Energy Market Act 2004 of the Commonwealth.

The Australian Energy Market Commission makes the following Rule under the National Gas Law.

John Pierce
Chairman
Australian Energy Market Commission

Draft National Gas Amendment (Market Operator Service - timing and eligibility) Rule 2013 No.

1 Title of Rule

This Rule is the Draft *National Gas Amendment (Market Operator Service - timing and eligibility) Rule 2013 No.*

2 Commencement

This Rule commences operation on [1 November 2013].

3 Amendment of the National Gas Rules

The National Gas Rules are amended as set out in Schedule 1.

4 Savings and Transitional Amendments to the National Gas Rules

The National Gas Rules are amended as set out in Schedule 2.

Schedule 1 Amendment to the National Gas Rules

(Clause 3)

[1] Rule 364 Definitions

Omit the definition "eligible contract holder".

[2] Rule 364 Definitions

In rule 364 substitute the following definitions:

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400 to provide MOS by decreasing the quantity of natural gas supplied to, or increasing the quantity of natural gas withdrawn from, a hub using a STTM pipeline.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 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400 to provide MOS by increasing the quantity of natural gas supplied to, or decreasing the quantity of natural gas withdrawn from, a hub using a STTM pipeline.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 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 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).

[3] Rule 396 MOS Period

Omit rule 396 and substitute "The MOS period is a period of 1 month".

[4] Rule 397 MOS estimate

In rule 397(1), omit "no later than 40 business days" and substitute "within the time specified in the STTM Procedures".

[5] Rule 397 MOS estimate

In rule 397(2), omit "at any time up to 20 business days" and substitute "within the time specified in the STTM Procedures".

[6] Rule 398 Request for MOS increase offers and MOS decrease offers

Omit rule 398(1) and substitute:

- (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.

[7] Rule 398 Request for MOS increase offers and MOS decrease offers

In rule 398(2)(b), omit "being no later than 15 business days before the start of the MOS period" and substitute "which date will be specified in the STTM Procedures".

[8] Rule 398 Request for MOS increase offers and MOS decrease offers

In rule 398(2)(c), omit "eligible contract holder" and substitute "STTM Shipper".

[9] Rule 399 Conditions relating to MOS

Omit rule 399(1) and substitute:

- (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.

[10] Rule 399 Conditions relating to MOS

Omit rule 399(2) and substitute:

- (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.

[11] Rule 399 Conditions relating to MOS

Omit rule 399(3) and substitute:

- (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.

[12] Rule 399 Conditions relating to MOS

In rules 399(4) and 399(6) omit "eligible contract holder" wherever appearing and substitute "STTM Shipper".

[13] Rule 399 Conditions relating to MOS

Omit rule 399(5) and substitute:

- (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.

[14] Rule 400 Making MOS increase offers or MOS decrease offers

In rule 400(1) omit "eligible contract holder" and substitute "STTM Shipper".

[15] Rule 401 MOS stacks

In rule 401(2), omit "No later than 10 business days" and substitute "Within the time specified in the STTM Procedures".

[16] Rule 401 MOS stacks

Omit rule 401(2)(b), and substitute:

- (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 of MOS decrease offer; and
 - (ii) the prices and quantities in each price step; and

[17] Rule 402 Additional requirements for MOS Stacks

In rule 402(1)(a), omit "eligible contract holder" and substitute "STTM Shipper or relevant contract holder".

[18] Rule 402 Additional requirements for MOS Stack

In rule 402(1)(b) insert "(2)" after "rule 395".

[19] Rule 402 Additional requirements for MOS Stacks

Omit rule 402(1)(c), and substitute:

- (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,

[20] Rule 402 Additional requirements for MOS Stacks

Omit rule 402(1)(d), and substitute:

- (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

[21] Rule 402 Additional requirements for MOS Stacks

Omit rule 402(1)(e), and substitute:

- (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.

[22] Rule 402 Additional requirements for MOS Stacks

In rule 402(2)(a) omit "eligible contract holder as".

[23] Rule 402 Additional requirements for MOS Stacks

In rule 402(2)(b) omit "eligible contract holder" and substitute "STTM Shipper".

[24] Rule 402 Additional requirements for MOS Stacks

Omit rule 402(3) and substitute:

- (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.

[25] Rule 403 Procurement or provision of MOS by AEMO

In rule 403(2) omit "eligible contract holders" wherever appearing and substitute "STTM Shippers".

[26] Rule 403 Procurement or provision of MOS by AEMO

In rule 403(4), omit "an eligible contract holder" and substitute "a contract holder or acquires trading rights".

[27] Rule 420 Registered facility service allocations

Omit rule 420(3)(b) and substitute:

- (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

[28] Rule 421 Application of pipeline deviations (MOS)

After rule 421(1), insert "to STTM Shippers".

[29] Rule 421 Application of pipeline deviations (MOS)

In rule 421(1)(a), omit "to MOS providers".

[30] Rule 421 Application of pipeline deviations (MOS)

In rule 421(1)(b), omit "to STTM Shippers".

[31] Rule 421 Application of pipeline deviations (MOS)

In rule 421(2)(a) omit "of the MOS provider to which the relevant MOS quantity relates" and substitute "registered to the STTM Shipper associated with the relevant MOS quantity".

[32] Rule 421 Application of pipeline deviations (MOS)

In rule 421(4), omit "a MOS provider as MOS or to an STTM Shipper as" and substitute "an STTM Shipper as MOS or".

[33] Rule 421 Application of pipeline deviations (MOS)

Omit rule 421(5) and substitute:

- (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.

[34] Rule 421 Application of pipeline deviations (MOS)

Omit rule 421(6) and substitute:

- (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.
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