

## **Notice to Participants of AEMO's decision on making the STTM Procedures version 9.0**

This Notice advises all Registered Participants (Participants) and other interested stakeholders that consultation for changes to the Short Term Trading Market (STTM) Procedures under the ordinary procedure change consultative process, prescribed in rule 135EE of the National Gas Rules (NGR), concluded on 25 August 2014.

Taking into account the assessment provided in the Impact and Implementation Report (IIR), AEMO hereby gives notice that it has decided to amend the STTM Procedures, effective from 26 September 2014.

The STTM Procedures changes to version 9.0 are as follows (shown at Attachment B):

- Add a new CTP at the Sydney hub to reflect AGL's upstream gas infrastructure developments that will connect to the Sydney network at the Hexham receipt point.
- Allow a MOS quantity offer to be greater than or equal to zero gigajoules (GJ), in alignment with the current validation of the STTM Web-exchanger / SWEX Interface Engine applications.

AEMO received feedback from one participant in the response to the IIR. A summary is shown at Attachment A.

AEMO considers that this Procedure change meets the requirements of the National Gas Objective for efficient operation and use of, natural gas services for the long term benefit of consumers of natural gas by facilitating gas supply into the STTM from the new infrastructure connected to the Hexham receipt point, which enables greater access to, and diversity of physical supply. In addition to this, aligning the STTM Procedures with current validation in the SWEX / SWEXIE applications allows participants to operate more efficiently without needing to request AEMO to remove unwanted MOS Offers for future months. This reduces transaction costs of both AEMO and market participants, promoting greater productive efficiency.

As required by Rule 135EE(5), AEMO also publishes this notice to inform Participants that version 9.0 of the STTM Procedures will be effective from 26 September 2014.

**Notice Date: 5 September 2014**

**Attachment A: Summary of stakeholder comments on the IIR consultation for STTM Procedures**

Organisation	Summary of comment	AEMO's Response
Jemena Gas Networks	<p>Jemena confirmed that it supports the draft amendments to the Procedures outlined in the IIR.</p> <p>However, Jemena noted the description in section 1 of the IIR appeared to imply that “a pipeline between Killingworth and Kooragang Island” is also part of the AGL infrastructure, which is incorrect, as that pipeline is part of Jemena’s network on which the Hexham Receipt Point will connect.</p>	<p>Noted. AEMO acknowledges that the pipeline between Killingworth and Kooragang Island is part of Jemena’s network.</p>

## Attachment B: Marked up changes (exclude formatting changes) to STTM Procedures

### 2.2 Sydney Hub

For the purposes of *rule 372(2)* of the *Rules*, the following *custody transfer points* comprise the *Sydney hub*:

[...]

(f) *custody transfer point 6: from the date identified in a notice published by AEMO, the connection between the respective pipelines identified in Pipeline Licence No. 42 (Hexham to the Newcastle Gas Storage Facility) and Pipeline Licence No. 8 (Killingworth to Kooragang Island) issued under the Pipelines Act 1967 of New South Wales, being the Hexham Receipt Point.*

### 5.4 MOS increase offers and MOS decrease offers

- (b) A *MOS increase offer* must specify at least one and up to ten *price steps* where each *price step* must specify:
- (ii) the maximum quantity of *gas* (excluding that offered in other *price steps*) that the *Trading Participant* is willing to have allocated to it in respect of increased flow to the *hub* at the price specified under paragraph (i), expressed in whole GJ, and being greater than or equal to zero.

**Note:** Price steps for *MOS* offers do not represent a cumulative quantity of *gas*.

- (c) A *MOS decrease offer* must specify at least one and up to ten *price steps* where each *price step* must specify:
- (ii) the maximum quantity of *gas* (excluding that provided from other *price steps*) that the *Trading Participant* is willing to have allocated to it in respect of decreased flow to the *hub* at the price specified under paragraph (i), expressed in whole GJ, and being greater than or equal to zero.