



1 February 2018

Our Reference: APLNG - COR - 0011744

Australian Energy Market Operator  
Commercial Services  
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Melbourne VIC 3000

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Dear Sir or Madam,

### **AEMO Gas Market Fee Methodology – Gas Bulletin Board (GBB)**

Australia Pacific LNG Pty Limited (**APLNG**) is pleased to provide this submission to the AEMO Gas Market Fee Methodology consultation. As the largest supplier of gas into the Queensland domestic market, APLNG is reliant on a well-functioning market to ensure our gas reaches the customers that value it most. The comments provided by APLNG are limited to the Gas Bulletin Board fee structure at this time as this is the only gas market in which APLNG is directly involved. APLNG has always supported the GBB to be a 'one stop shop' for gas industry information which would assist to increase the transparency across the market.

APLNG is pleased to provide the following comments:

1. **Guiding Principles in line with National Gas Objective (NGO)** - APLNG supports the principles included in the NGO including that the new fee structure be:
  - a. **Simple**
  - b. **Reflective of how much AEMO's budgeted revenue requirements involve that registered participant**

APLNG anticipates that AEMO's budget requirements for each registered participant would be similar regardless of size or type of facility, such that it would require the same amount of budget funds and integration to acquire the information from a large production facility or pipeline versus a small facility or pipeline. Thus, this NGO requirement would suggest that the fees should be uniform regardless of size.
  - c. **Not unreasonably discriminate**

Only charging registered production, pipeline and storage participants is discriminatory against these sections of the market, and ignores the large part of the gas industry that also benefits from the GBB. There is a cost for all current registered participants to provide their daily (and possibly more often) information to AEMO. Charging these same participants for the entire cost of the GBB, is charging these participants for the information they provide and is effectively a double cost. That is, the same three groups that are, at their cost, supplying the information are also paying for the cost of the GBB.
2. **User Pays Principle** – APLNG believes that the entire gas market benefits from the information and transparency provided by the GBB. Focusing the fee structure only on the production, pipelines and storage participants ignores all the other industry participants that also derive benefit including retailers, large end users and consultants. The fact that these

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industry participants are not registered with AEMO under the current rules is not a reason for them to not contribute to the GBB funding. In APLNG's view, these participants receive greater benefit than the current list of registered participants as the registered participants are already in possession of most of the information available on the GBB. AEMO should charge the cost of the GBB to all entities that benefit from this information being made available. This could be achieved by way of an access account/agreement that would provide parties with access to the information that is made available on the GBB. Fees could be charged based on the number of users accessing this information.

3. **Double counting/overlap between Production/Transmission/Storage Participants** – APLNG points out that the categories for currently registered participants have significant overlap, as numerous participants are included in several of these categories. APLNG suggests that any selection of the current registered participants should allocate the charges to avoid double counting any individual participants.
4. **Period of fee structure** - APLNG supports a minimum of 3 years and would also support moving to a 5 year period to provide more predictability of charges.
5. **Break-even period to recover costs** – Similar to the fee structure, APLNG supports a minimum of 3 years and would also support moving to a 5 year period for the break-even period.

### **APLNG's Preferred Fee Structure Method**

APLNG believes that the primary focus of the GBB charging is that it be non-discriminatory and that all users of the information reported on the GBB should pay for the GBB and its maintenance. This would mean that the fees for the GBB should be charged to a wider range of participants than the current registered participants. A suggested methodology that fits into this criteria would be:

- **70% of the annual GBB fee** – charged equitably across all (for profit) industry participants which access the GBB and its information. This would include participants from the entire industry value chain including producers, pipelines, retailers, end-users (over the 10 TJ/d threshold), consultants and other participants who benefit from the transparency offered by the GBB. This fee would only be charged once to any one participant annually.
- **30% of the annual GBB fee** – charged across the major participants, including producers, pipelines, storage facilities, and larger end users, based on a throughput basis of the previous year. However, each participant would only be charged once i.e. a producer which also owns a pipeline would be charged only once on the higher volume of production or its pipeline throughput.

Thank you for the opportunity to provide these suggestions. Should you have any questions or would like to discuss further, please contact Deidre McEntee, Senior Commercial Negotiator via (07) 3021 3303 or [deidre.mcentee@aplng.com.au](mailto:deidre.mcentee@aplng.com.au).

Yours sincerely,



**Warwick King**  
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Australia Pacific LNG Pty Limited