

6 March 2018



Our Reference: APLNG - COR - 0011729

Australian Energy Market Operator
Commercial Services
Level 22, 530 Collins Street
Melbourne VIC 3000

Sent via email: jack.fitcher@aemo.com.au

Dear Mr Fitcher,

**Re: Draft Report – Structure of Participant Fees in AEMO’s gas markets 2018
Gas Bulletin Board (GBB)**

Australia Pacific LNG Pty Limited (**APLNG**) is pleased to provide this submission in response to AEMO’s Draft Report- Structure of Participant Fees dated 20 February 2018 (**the Draft Report**) as a follow-up to its submission to the Initial Consultation dated 31 January 2018 (**Initial Consultation**). As with the Initial Consultation, APLNG’s comments relate only to the GBB.

APLNG is pleased to provide the following comments on the Draft Report:

- **Limited Scope of Registered Participants** - APLNG understands that AEMO has a limited scope of participants from which to charge currently but hopes that AEMO takes appropriate steps in the future to widen this range to more fully demonstrate the “user pays” and “reflective of involvement” principles. As discussed in our Initial Consultation, producers are not a large user of the GBB information (as they already own most of the information) and their involvement with AEMO is mainly focused on uploading their information to AEMO (for which they already incur costs).
- **Apportionment of Fees** - Of the 2 suggested groups to which AEMO has proposed to allocate the GBB (Producers and DWGM/STTM users), APLNG would suggest that the DWGM/STTM users receive much more benefit from the information than Producers do. As such, APLNG believes that a more appropriate fee split is 70% to the DWGM/STTM users and 30% to Producers.
- **Flat Rate Fees Based on Participation** – Further elaborating on the “reflective of involvement” principle, APLNG believes that AEMO’s efforts spent on each producer’s daily upload is not directly related to volume, as it takes almost as much time to report 11 TJ/day as it does to report 1100 TJ/d. Thus, APLNG would suggest that a more appropriate method would be for fees to be charged based on a true flat rate per participant and not on a volumetric basis of \$/GJ.

In addition, the domestic gas market in eastern Australia is not affected by the proprietary LNG export networks. As is the case with the Western Australia GBB, APLNG suggests that it would be more appropriate for gas production that is exported and does not flow into the domestic market to be subtracted from the volumes attributed to the LNG producers, for the purposes of calculating flat rate fees for producers.

Thank you for the opportunity to provide these comments. Should you have any questions or would like to discuss further, please contact Deidre McEntee, via (07) 3021 3303 or deidre.mcentee@aplng.com.au.

Yours sincerely,



Warwick King
Chief Executive Officer
Australia Pacific LNG Pty Limited