



# WESTERN AUSTRALIAN RETAIL GAS MARKET FINAL BUDGET AND FEES 2016-17

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# WA RETAIL GAS MARKET

## 1.1 Introduction

AEMO operates on a cost recovery basis as a company limited by guarantee under the Corporations Act (2001). AEMO fully recovers its operating costs through fees paid by participants.

From 31 October 2016, AEMO assumes the operating role of the Western Australia (WA) gas retail market function, as approved by the Economic Regulatory Authority (ERA). These functions are currently performed by the Retail Energy Market Company (REMCo).

## 1.2 Fees

AEMO will recover capital and operating costs associated with the administration of the Retail Market Rules (the “Rules”) from Members.

The approach to setting fees has been defined in Chapter 8 of the Rules and is on a cost-recovery basis (no profit).

AEMO will maintain the 2016-17 fees at the level that is currently being charged by REMCo.

AEMO sets its budget and fees annually. The process of the 2017/18 budget and fees is:

- March 2017 – Draft Budget and Fees Report published to stakeholders inviting comment
- June 2017 – Final Budget and Fees published to stakeholders.

The tables below set out the current structure of fees and amounts for 2016-17:

**Table 1 Structure of fees**

Fee	Who Pays	How fee is applied
Market Share Charge	WA gas market retailers	A flat rate (\$/customer/month).
Registration Fee	All members	A one-off charge (\$) on all Members, payable upon joining AEMO.
Annual Fee	All members	An annual charge (\$) levied on all Members.
Additional Service Charge	Specific member	Additional ad hoc service provided to specific member(s) at a charge based on cost recovery.

**Table 2 WA Retail Gas Market fees**

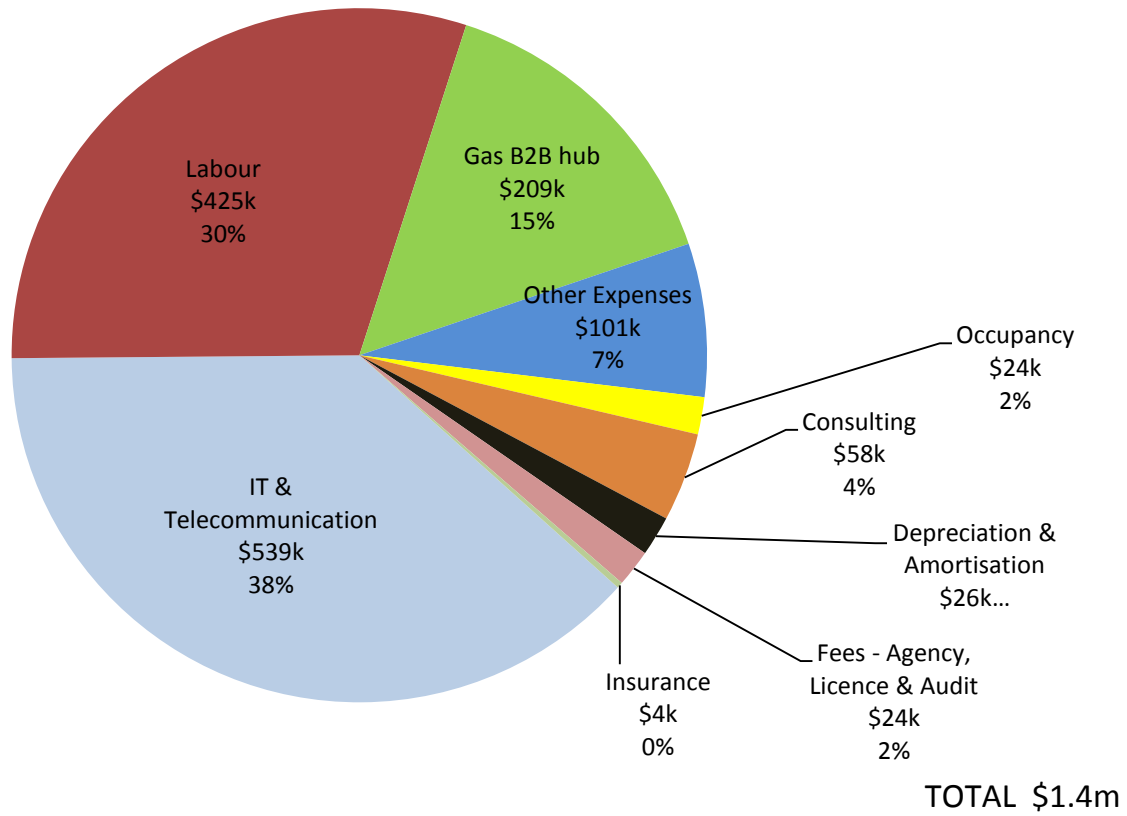
Fee		Rate <sup>1</sup> 2016-17
Market Share Charges	\$ per customer per month	0.30815
Registration Fee	Member	12,951
	Associate Member	2,590
Annual Fee	Member	19,905
	Associate Member	3,881

[1] All fees and rates are exclusive of GST

### 1.3 Revenue and Expenditure

The expenditure is detailed below in Figure 1 by expenditure category

**Figure 1 Expenditure by category 2016-17 (from 1 November 2016 to 30 June 2017)**



**Table 3 Profit and Loss statement 2016-17 (from 1 November 2016 to 30 June 2017)**

	<b>Budget 2016-17 \$'000</b>
Fees and tariffs	1,847
Other Revenue	25
<b>Total Revenue</b>	<b>1,871</b>
Labour	425
Contractors	0
Consulting	58
Fees - Agency, Licence & Audit	24
IT & Telecommunication	539
Occupancy	24
Insurance	4
Other Expenses	101
Depreciation & Amortisation	26
Gas Hub	209
<b>Total Expenditure</b>	<b>1,411</b>
<b>Surplus/(Deficit)</b>	<b>461</b>
Brought Forward Surplus/(Deficit)	0
Accumulated Surplus/(Deficit)	461

**Key Points:**

- The budget is based on REMCo's budget for the period 31 October 2016 to 30 June 2017.

**1.4 Contacts**

For questions regarding the contents of this report, please do not hesitate to contact:

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## LIST OF SYMBOLS AND ABBREVIATIONS

Term	Definition
AEMO	Australian Energy Market Operator
ERA	Economic Regulatory Authority
REMC <sub>o</sub>	Retail Market Company
NA	not applicable
WA	Western Australia
TBC	to be confirmed

*Note – all amounts quoted in this document are nominal dollars unless otherwise stated and all amounts are exclusive of GST.*