

## **Notice to Gas Supply Hub Exchange Members of AEMO's decision on making the Gas Supply Hub Exchange Agreement version 4.0**

This Notice advises all Gas Supply Hub Exchange members and other interested stakeholders that AEMO has completed its consultation on the implementation of a Gas Supply Hub Monthly product.

AEMO proposed changes to the Exchange Agreement to implement a new **Schedule 7: Product Specifications for Monthly Gas**, to facilitate the listing of monthly products on the Gas Supply Hub.

Taking into account the assessment provided in the Impact and Implementation Report (IIR), and comments received on the proposed Exchange Agreement amendments, AEMO has decided to make the proposed amendments to the Exchange Agreement, effective from 28 May 2015.

The changes will be incorporated in version 4.0 of the Exchange Agreement by including a new Schedule 7: Product Specifications for Monthly Gas (see Attachment B). To support the introduction of a Gas Supply Hub Monthly product, procedural and documentation changes are also required to the GSH Reallocation Procedure, GSH Settlements and Prudential Methodology, GSH Interface Protocol and Guide to Gas Supply Hub Reports (see Attachment C).

In accordance with the National Gas Rules Part 22, 534(3), AEMO is required to consult with gas trading exchange members on the structure, introduction and determination of exchange fees. As the monthly product constitutes a new product, a change to the GSH Exchange Fees is required.

AEMO proposed a variable Transaction Fee of \$0.01/GJ for the monthly product. Taking into account the assessment provided in the Impact and Implementation Report (IIR), and comments received on the proposed Variable Transaction Fee, AEMO has decided to implement the Variable Transaction Fee of \$0.01/GJ monthly product fee (see Attachment C), effective from 28 May 2015.

AEMO received one submission from stakeholders in response to the proposed amendments to Exchange Agreement IIR and the proposed monthly product fee. A summary of the comments is shown at Attachment A.

As required by the Gas Supply Exchange Agreement clause 3.3(d) (iv), AEMO informs Participants that version 4.0 of the Gas Supply Exchange Agreement will be effective from 28 May 2015.

**Notice Date: 6 May 2015**

**Attachment A: Summary of stakeholder comments on Gas Supply Hub Exchange Agreement Consultation IIR**

Organisation	Summary of comment	AEMO's Response
GDF SUEZ	<p>GDFSAE is generally supportive of measures to improve the liquidity and transparency of existing gas markets, however would like to see steps taken to simplify and rationalise mechanisms in the existing gas market paradigms (STTM, DWGM and GSH).</p> <p>Although GDFSAE is cautious about introducing new gas mechanisms while the AEMC Review is in progress, it is also noted that the introduction of a monthly forward product has been discussed and anticipated for some time.</p>	<p>AEMO notes the comment relating to the East Coast Wholesale Gas Market and Pipeline Framework Review (AEMC Review)</p>
	<p>GDFSAE assumes that the variable monthly product fee of \$0.01/GJ will be a usage only fee, and charged only to those participants that engage in the exchange of monthly products. On that basis, GDFSAE believes that the proposed variable fee is reasonable.</p>	<p>AEMO can confirm the variable monthly product fee will only be charged on monthly product transactions on the Gas Supply Hub.</p>

**Attachment B –**
**Schedule 7: Product Specifications for Monthly Gas**
**1 RBP Trading Location**

<b>Product Specification for Weekly Physical Gas for Delivery at the RBP Trading Location</b>	
Commodity	Gas complying with the Gas Specification.
Gas Day commencement	8:00am AEST
Delivery Period	Calendar month consecutive Gas Days, beginning at 8:00 on the first day of the calendar month and ending at 8:00 on the first day of the immediately following calendar month.
Delivery Point	The RBP Trading Location, at the Delivery Point specified in the Order, being one of the following: <ul style="list-style-type: none"> <li>- Run 3</li> <li>- Run 4</li> <li>- Run 7</li> <li>- RBP In Pipe Trade Point,</li> </ul> as defined in schedule 2 for the RBP Trading Location.
Trading Window	For a Delivery Period commencing on Gas Day D, Trading Hours on each Gas Day commencing 3 calendar months and 1 calendar day prior to the calendar month in which Gas Day D falls and ending on D-2 prior the commencement of the calendar month in which Gas Day D falls.
Parcel Size	1000 GJ (1 TJ) for each Gas Day in the Delivery Period
Price	The price is to be expressed in dollars per GJ.
Product Limits	Minimum Price: \$0/GJ Maximum Price \$999/GJ Maximum Quantity 32,000 GJ (32 TJ)
Unit	GJ
Admission to trade	Automatic
Gas Specification	The gas specification applicable to the Delivery Point as determined in accordance with schedule 2.
Flow Rate	Even flow rate through each Gas Day in the Delivery Period.
Pressure	The pressure range applicable to the Delivery Point as determined in accordance with schedule 2.
Partial acceptance of Orders	Permitted if specified in the Order.
Minimum Transaction Quantity	1000 GJ (1 TJ) per Gas Day in the Delivery Period unless a larger number is specified in the Order.
Expiry Time	Unless an earlier time is specified in the Order, an Order for a Delivery Period commencing on Gas Day D expires at the end of the Trading Window.
Automatic withdrawal	Applicable to open Orders at the end of each trading day after 5:00pm.
Order Quantity to be displayed	The whole of the Order Quantity will be displayed unless otherwise specified in the Order.
Delivery Netting	Applicable
Special conditions	Each Trading Participant who submits an Order in relation to this Product represents and warrants for the purposes of this agreement that the Trading Participant has all necessary rights under

	agreements with the Gas Transporter at the Delivery Point (as identified in Schedule 4) to deliver (in the case of the Seller) or accept (in the case of the Buyer) the Transaction Quantity.
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## 2 QGP Trading Location

<b>Product Specification for Monthly Physical Gas for Delivery at the QGP Trading Location</b>	
Delivery Point	The QGP Trading Location, at the Delivery Point specified in the Order, being one of the following: <ul style="list-style-type: none"> <li>- Run 3</li> <li>- Run 10</li> </ul> as defined in schedule 2 for the QGP Trading Location.
All other terms	Except for the Delivery Point, this Product Specification is the same as the Product Specification for Monthly Physical Gas for Delivery at the RBP Trading Location in item 1 of this schedule.

## 3 SWQP Trading Location

<b>Product Specification for Monthly Physical Gas for Delivery at the SWQP Trading Location</b>	
Delivery Point	The SWQP Trading Location, at the Delivery Point specified in the Order, being one of the following: <ul style="list-style-type: none"> <li>- Fairview</li> <li>- Wallumbilla Notional Point</li> <li>- SWQP In Pipe Trade Point</li> </ul> as defined in schedule 2 for the SWQP Trading Location.
All other terms	Except for the Delivery Point, this Product Specification is the same as the Product Specification for Monthly Physical Gas for Delivery at the RBP Trading Location in item 1 of this schedule.

## Attachment C – Documentation Changes

Blue represents additions. Red and strikethrough represents deletions – Marked up changes

### 1. GSH Settlements and Prudential Methodology

#### 5.3.2 Forward amount per Reallocation

(a) Forward estimate for Dollar Reallocation r where Market Participant p is the Debit Participant:  $FDRD(p,r) = \sum d (DA(r,d))$

Where  $pd \leq d \leq pd + 41131$  days.

(b) Forward estimate for Dollar Reallocation r where Market Participant p is the Credit Participant:  $FDRC(p,r) = \sum d (DA(r,d) \times -1)$

Where  $pd \leq d \leq pd + 34124$  days.

(c) Forward estimate for Energy Reallocation r where Market Participant p is the Debit Participant:  $FERD(p,r) = \sum d (GQ(r,d,l) \times RAP(pd-1,l) \times dm)$

Where  $pd \leq d \leq pd + 41131$  days.

(d) Forward estimate for Energy Reallocation r where Market Participant p is the Credit Participant:  $FERC(p,r) = \sum d (GQ(r,d,l) \times RAP(pd-1,l) \times cm \times -1)$

Where  $pd \leq d \leq pd + 34124$  days.

Note: A Reallocation is considered over a longer potential period for the Debit Participant as it may take a period of time to deregister a Reallocation if a Default Event occurs.

### 2. GSH Reallocation Procedure

#### 4.3.2 Validation on submission of Reallocation Request

VALIDATION	INFORMATION VALIDATED	DESCRIPTION OF VALIDATION
Gas Dates	End Date	The End Date of a Reallocation Request must not be later than <del>three months</del> 180 days from the submission date.

### 3. Gas Supply Hub – Exchange Fees

#### 1. Exchange Fees

The fees set out below relate to Section 5.5 (Participation Fees) of the AEMO Gas Supply Hub Exchange Agreement.

These fees are current as per the date of this document and can be amended by AEMO at any point in future.

PARTICIPANT TYPE	FEE TYPE	RATE
Trading Participants	Fixed Fee – One user account licence	\$14,500 p.a. licence fee
	Fixed Fee – additional user account licences	\$5,500 p.a. licence fee
	Variable Transaction Fee	\$0.03/GJ daily product fee; \$0.02/GJ weekly product fee; \$0.01/GJ monthly product fee

Reallocation Participants	Fixed Fee	\$9,000 p.a.
Viewing Participants	Fixed Fee	\$5,500 p.a. licence fee

**4. Gas Supply Hub Interface Protocol**  
**4. GSH Interface Protocol Artefacts**

FORM OF DOCUMENTATION	DOCUMENT	VERSION
Reports	<b>Guide to Gas Supply Hub Reports</b>  Purpose: specify all of the reports published by the Operator on its Gas Hub Direct System (to trading participants and the public).	<del>1.1</del> 1.2