# SCLP AMOUNT CALCULATION METHODOLOGY

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# Contents

# Version Release History

| VERSION | DATE | BY | CHANGES |
|---|---|---|---|
| 1 | 3/11/2010 | Maheshini Weerackoon | |
| 2 | 2/05/2016 | Deep Juneja | Retail Market Procedures clause references updated |

# 1 Introduction

The NSW and ACT gas retail consultative forum (GRCF) at its meeting on the 14 September 2010, agreed to apply the principle that if a user does not withdraw gas from the Short Term Trading Market (STTM) network section on a gas day, then that user should not be allocated a share of change in linepack (SCLP) for the STTM network section on that gas day.

The principle outlined above is inconsistent with the current method used to allocate CLP in the STTM. The current Access Arrangement (AA) requires Jemena Gas Networks (Jemena) to allocate each user in the STTM network section with SCLP in accordance with each user's Maximum Daily Quantity (MDQ) contract position.

As a result of the misalignment between the agreed principle and the current methodology, the GRCF agreed that another allocation methodology should be applied for the allocation of SCLP for each user in the STTM network section. The GRCF agreed that the most equitable mechanism for allocating SCLP would be a methodology which would allocate SCLP to each user in accordance with each user's gas withdrawals (daily and non-daily withdrawals) on each gas day.

Clause 8.11.1(b)(ii) of the Gas Retail Market Procedures (NSW & ACT) (Procedures), provides for AEMO to ensure that at any time there is an approved methodology to enable the Data Estimation Entity (DEE) to allocate each user with SCLP on days that they have withdrawn gas from a STTM network section.

This paper outlines the methodology required under clause 8.11.1(b)(ii) of the Procedures used to allocate each user with a share of SCLP in the STTM network section.

## 2 SCLP Calculation Methodology

The SCLP amount calculation methodology, approved by AEMO after consultation with Industry, and related worked examples are detailed below.

1. STTM Distribution System Allocation (STTM DSA) data for STTM network section is made up of:

   - Each user's total daily withdrawals (TDW)

   - Each user's allocation of net section load (NSL)

   - Change in linepack (CLP) and unaccounted for gas (UAG).

   Note:

   - the NSL allocation is the sum of withdrawals for each user's non daily delivery points, where the withdrawal is the distributed withdrawals (DWL) for the delivery point when the Gas Retail Market Business System (GRMBS) has an actual meter reading for the delivery point, otherwise it is the estimated withdrawal (EW) when the GRMBS doesn't have such a meter reading.

   - CLP refers to the aggregate amount of SCLP for a network section. SCLP is each user's share of change in linepack as initially calculated by the network operator under its Access Arrangement.

2. Under clause 8.11.1(a)(iii) of the Procedures and in accordance with the AA, the network operator for the STTM network section (Jemena) is required to provide AEMO with details of each user's SCLP for a gas day, for the STTM network section. This information must be provided to AEMO by 0930h on gas day + 1.

   Note that under the existing AA, for the STTM network section (Jemena) is required to calculate each user's SCLP based on each user's MDQ contract position. Under the approved methodology Jemena will continue to provide AEMO with each user's SCLP data calculated in accordance with each user's MDQ contract positions.

   AEMO is also required to validate the CLP data provided by the network operator under clause 8.11.1(a)(iii) in accordance with the requirements under clause 8.11.1(d)(ii). If AEMO does not receive the appropriate CLP data in respect of a gas day, from the network operator, or that data is rejected under clause 8.11.1(e) or clause 8.11.1(f) (and not accepted under clause 8.11.1(g)), then AEMO must estimate the CLP data in accordance with clause 8.11.1(j).

   AEMO process of receiving and/or estimating SCLP data in the GRMBS from the network operator will remain unchanged.

3. Once AEMO has received and validated the SCLP data from the network operator, AEMO will be required to sum each user's SCLP in order to calculate the aggregate CLP for the STTM network section.

4. AEMO will then recalculate each user's SCLP allocation for a gas day by calculating each user's share of CLP (for the STTM network section) based on the users' market share. For the purposes of this calculation, market share would be based on withdrawals (both daily and non daily), where withdrawals equal the sum of user's share of TDW in the STTM network section and the user's share of the NSL in the STTM network section.

Note: AEMO will be required to recalculate each user's SCLP for the STTM network section, for each gas day, by no later than 1100h on gas day + 1 in accordance with clause  of the Procedures.

5. The SCLP allocations calculated by AEMO (based on each user's withdrawals) will replace the SCLP data provided by the network operator (Jemena) under clause 8.11.1(a)(iii) of the Procedures for the STTM network section.

6. The SCLP allocations for each user calculated by AEMO will be updated whenever STTM DSA's are recalculated by AEMO (i.e. on a weekly and monthly basis in accordance with the STTM requirements) and will be based on user's market share.

7. The change to the methodology for the allocation of users' CLP will not be applied retrospectively and will only apply on a prospective basis from the date that the Procedure change is implemented.

# 3 Worked Example

Detailed below is a worked example of the SCLP calculation methodology:

For example, on the gas day 0, the following are produced (UAG isn't shown and assumed to be 0 to simplify the example):

|  | STTM DSA preliminary | TDW component | Share of NSL | SCLP(from Jemena) |
|---|---|---|---|---|
| User A | -200 | 0 | 0 | -200 |
| User B | 650 | 250 | 500 | -100 |
| User C | 1050 | 400 | 800 | -150 |
| User D | 1800 | 750 | 1250 | -200 |
| User E | -50 | 50 | 0 | -100 |
| Total | 3250 | 1450 | 2550 | -750 |

The new CLP calculation process aggregates the SCLP to the network section level which sums up to -750. The total CLP value will be reallocated to each user using the user's market share portion based on the user's withdrawals, both daily and non-daily, which equal the sum of TDW in the STTM network section and the user's share of the NSL in the STTM network section.

Once the CLP is reallocated, the respective SDSA also gets updated as shown below:

|  | STTM DSA recalculated | TDW component | Share of NSL | CLP recalculated |
|---|---|---|---|---|
| User A | 0 | 0 | 0 | 0 = (0+0)/4000*-750 |
| User B | 609.375= 250+500-140.625 | 250 | 500 | -140.625= (250+500)/4000*-750 |
| User C | 975= 400+800-225 | 400 | 800 | -225= (400+800)/4000*-750 |
| User D | 1625= 750+1250-375 | 750 | 1250 | -375= (750+1250)/4000*-750 |
| User E | 40.625= 50-9.375 | 50 | 0 | -9.375= (50+0)/4000*-750 |
| Total | 3250 | 1450 | 2550 | -750 |

The total STTM DSA after its revision and reallocation of CLP remains the same as the original sum of SCLPs provided by the network operator.

The total CLP also remains the same before and after the reallocation.