

Lenard Bayne

From: George Foley <GFoley@agl.com.au>
Sent: Wednesday, 22 October 2014 16:48
To: Jack Fitcher
Subject: AGL feedback re gas market fee methodology

Hi Jack,

Sorry I missed your 17 October deadline. I was up in Noosa for two weeks. I respond to your 4 high-level questions.

3A Are current fee-paying participant groups the beneficiaries of AEMO's services?

- In some cases Yes, particularly as they relate to spot market services,
- But there are areas where the beneficiaries are not industry players. You may have difficulty in getting some of these groups to contribute to the cost of services that they benefit from (GSOO, Gas Bulletin Board, VGPR, National Gas Forecasting Report, etc)

3B Could similar gas market fees be consolidated?

- In principle the answer is Yes.
- However, "similar" in what ways?
 - Are there rules obligations that require them to be treated differently from a cost recovery perspective?
 - If geographic coverage is taken into account, would it be fair to smear costs across different markets, particularly if the player composition is different?

3C Can the number of fees within each gas market be reduced for simplification?

- Yes, subject to satisfying all stakeholders that there will be no undue cross-subsidies of fee obligations.

3D Is the current manner for calculating and charging the Gas Bulletin Board fees still relevant?

- This is enshrined in rule191 of Part 18 of the National Gas Rules.
- There needs to be an assessment that the current methodology is less than desirable, followed up by a rule change proposal to be put to the AEMC. The AEMC may or may not agree.
- I also refer you to our response to 3A above.

George

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