



South East Australia Gas Pty Ltd
ABN 73 096 437 900
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Phone 08 8236 6800 Fax 08 8236 6899

To Australian Energy Market Operator
Executive General Manager, Finance and Business
GPO BOX 2008 MELBOURNE VIC 3001
AUSTRALIA

Tax Invoice

Invoice No: 2230

Invoice Date: 28/07/2017

Description	Price	GST	Total
MOS Allocation Costs for FYE 30/06/2017	\$ 18,210.00	1,821.00	20,031.00

Total Exc GST \$ 18,210.00

GST \$ 1,821.00

Balance Due \$ 20,031.00

Please make payment via EFT:

ANZ Banking Group
BSB 012950
Acc No 837172728

Please send Remittance to:
alana.greig@seagas.com.au



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28 July 2017

Mr. Jack Fitcher
Chief Financial Officer
Australian Energy Market Operator
GPO Box 2008
Melbourne VIC 3001

Dear Mr. Fitcher

Re: SEA Gas MOS allocation service costs for the year ending 30 June 2017 (MOS Costs)

As you know the introduction of the Short-Term Trading Market (STTM) has increased pipeline obligations for reporting of data. SEA Gas has made a number of changes to accommodate these requirements and has made no other recovery of the Market Operator Service (MOS) Costs listed below.

SEA Gas can identify some costs directly related to MOS Allocations. These costs have been allocated 100% to MOS Costs. For other costs indirectly related to MOS Allocation requirements SEA Gas has made an allocation proportional of MOS Allocation files to the total number of files submitted for the STTM. During the last financial year SEA Gas submitted 3,822 STTM files. 1,592 (42%) of those files were MOS Allocation files. Therefore, SEA Gas has allocated 42% of the indirect costs to MOS Costs.

SEA Gas had forecast estimated MOS Costs for the financial year ending 30 June 2017 (FY17) at \$20,000. With completion of FY17, MOS Costs incurred have been determined as \$18,210.

Consistent with last year's account please be advised that the invoice for SEA Gas' FY17 MOS Costs includes the following:

1. External Service Provider costs
 - a. Previously, SEA Gas instigated after hours support from its IT service provider to assist with Short Term Trading Market (STTM) compliance. For FY17, \$3,114 has been allocated to MOS Costs representing 42% of the cost incurred attributable to the STTM.
 - b. The External Service Provider was required to perform business hours support on STTM related matters. The work performed includes direct and indirect MOS work. 42% of the indirect costs were charged to MOS Costs, and 100% of the direct costs. The MOS Cost share of this work is \$101.

2. Internal Labour costs
 - a. From SEA Gas timesheet records, effort was required to manage shipper CRN expiry issues; invalid MOS stack submissions and deal with other specific MOS matters. The costs attributable include direct and indirect MOS costs (42% of the indirect costs were charged to MOS Costs). The allocation to MOS Costs is \$6,519.

- b. SEA Gas notes the on-going monitoring required of STTM and MOS Allocation data. Consistent with the previous year SEA Gas estimates that the day to management of MOS obligations outside of the specific matters listed above costs \$8,476 (for 52 hours per annum).
3. On this occasion, we have chosen not to add an interest cost for the time differential between when costs are incurred and the expected time of recovery.

SEA Gas' MOS Costs are summarised as follows.

Source	Description	Cost
External Service Provider	After Hours Support	\$3,114
	Business Hours Support	\$101
Internal Labour Costs	Internal Analysis	\$6,519
	On-going monitoring	\$8,476
Total		\$18,210

If you have any questions on this matter, please contact John Kupke (Operations Analyst) at john.kupke@seagas.com.au.

Kind regards



John Kupke
Operations Analyst

Our reference: COM.16.015