



5 February 2018

Mr Jack Fitcher
Australian Energy Market Operator Limited
GPO Box 2008
MELBOURNE VIC 3001

(via email to: jack.fitcher@aemo.com.au)

CONSULTATION PAPER – STRUCTURE OF PARTICIPANT FEES IN AEMO’S GAS MARKETS

Dear Mr Fitcher

GLNG Operations Pty Ltd (**GLNG**) welcomes the opportunity to provide the following submission in respect of the *Consultation Paper – Structure of Participant Fees in AEMO’s Gas Markets (Consultation Paper)* released by AEMO on 9 January 2018.

GLNG supports the desire to make improvements to the structure of fees in facilitated markets particularly the Gas Bulletin Board (**GBB**) given the AEMC final rule determination to enhance the breadth and accuracy of information provided to the market, and to improve the operation and relevance of the GBB for participants in the east coast gas market.

The current model for recovering GBB costs does not address that the beneficiaries of the GBB are ultimately the GBB users and other entities involved in the gas market. Instead costs are recovered from entities required to provide information and similarly incur costs in making the information available, where these entities are not proportionally receiving benefit from the GBB. It is therefore inconsistent with AEMO’s guiding principles, where the fees levied are not reflective of the participants benefit from the GBB. The structure for cost recovery must be expanded to cover all GBB users that derive value from the GBB, where this would include: gas consumers, shippers, pipeline operators, producers and storage operators and other users that access the data for more than informational purposes.

GLNG supports the ‘fixed and variable cost allocation model’ proposed by APPEA for recovery of GBB costs, where the *‘new model (a “fixed and variable cost allocation model”)* would levy a fixed fee on as wide a possible range of market participants (gas consumers, shippers, pipeline operators, producers and storage operators and other users that access the data for more than informational purposes) and a variable fee based on usage of the GBB (this variable fee would recognise that GBB users are the ultimate beneficiaries of the information provided through the GBB)’.

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GLNG is a Santos PETRONAS Total KOGAS venture.



Additionally GLNG supports that there should be a differentiation between GBB viewing and downloading of the GBB data, such that if users are downloading the data (ie reports), hence gaining greater value from the data, then there is a charge that is reflective of this benefit. It is on this basis that a variable component is required.

This APPEA model supports AEMO's guiding principles as follows:

- **Structure of Participant fees should be simple**
The proposed model reflects GBB participants and is based on a fixed and variable component that has limited complexity;
- **Participant fees charged to be reflective**
This model offers a reflective distribution of cost aligned with the beneficiaries of the GBB where this is broader than the current model; and
- **Participant fees should not unreasonably discriminate**
By addressing the full range of GBB participants this model directly addresses any concern of discrimination, by making the contribution distributed across these groups of participants

GLNG considers that broadening of the application of the fee structure as proposed by APPEA is aligned with AEMO's guiding principles.

We would welcome the opportunity to discuss these recommendations ahead of the implementation of the amendments to the fee structures. Please contact Vanessa Taylor from GLNG via email on Vanessa.taylor@glng.com or via telephone on (07) 3838 3009.

Yours sincerely,



Rod Duke
Chief Executive Officer
GLNG Operations Pty Ltd