



South East Australia Gas Pty Ltd

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Sandra Chui
Australian Energy Market Operator Limited
GPO Box 2008
Melbourne Vic 3001
Via email: sandra.chui@aemo.com.au

Dear Sir/Madam

Re: Consultation Paper – Gas Pipeline Capacity Trading and Day Ahead Auction 2019 – Fee Structure

Thank you for allowing SEA Gas the opportunity to provide feedback on the Fee Structure to be put in place as part of the Capacity Trading and Day Ahead Auction (PCT).

As a facility operator and BB allocation agent, our participation in the PCT market is mandated. We will be coordinating with AEMO to ensure that zones, segments, facilities, points, participants and contracts are appropriately configured within the PCT systems to allow market participants to trade capacity or purchase it through the auction. Our role will involve daily supply and receipt of data to make these markets operate effectively, and to perform an allocation agent role. We will be incurring additional costs to implement and maintain systems and processes required by the PCT requirements. As such, we don't consider it appropriate to be charged a registration fee.

We are comfortable with the options provided to other parts of the consultation paper and provide our responses as follows.

Question	Response
1. CTP fee structure: Gas Supply Hub fee structure as a potential model. AEMO welcomes comments on fee structure for the CTP.	SEA Gas is not a participant in the GSH and so is unfamiliar with the structures and mechanisms of the GSH exchange trading platform, however we consider that alignment of the CTP fee structure with the DAA fee using a variable transaction fee based on quantity of capacity traded structure should be considered.
2. DAA fee structure: considerations of other market structures. AEMO welcomes comments on the fee structure for DAA.	SEA Gas considers that a variable fee based on the capacity of auction products purchased by participants is a simple and effective method for determination of market fees, and is reflective of a participants activity in the auction.

<p>3. Registration fee. AEMO welcomes submission on the possible implementation of a registration fee related to the new markets.</p>	<p>This tightly aligns with the NGO principles of simplicity and reflective involvement.</p> <p>In line with the GSH and GBB, SEA Gas considers that it is not appropriate to charge a registration fee for participation in the new market. Participants will be incurring their own costs to participate in the CTP and DAA already, further fees may be considered a barrier to entry.</p> <p>Further, facility operators must participate and therefore register in the market due to their reporting obligations and are likely to be acting as allocation agents as well. Auction participants however can optionally participate in the market. Application of fees to participants that cannot opt out of a market goes against the NGO principle that fees should not unreasonably discriminate.</p>
<p>4. Period of fee structure. AEMO welcomes comments on the length of time over which the structure of participant fees from 1 March should apply and whether aligning the maturity to 30 June 2021 for all gas fees is most efficient.</p>	<p>SEA Gas considers the proposal to align the fee structure with other gas market fee structure is reasonable, and effectively applies the NGO principle of simplicity.</p>
<p>5. OTS Code Panel. AEMO welcomes submissions on the fee structure to recover AEMO's costs associated with the OTS Code Panel.</p>	<p>In the interests of simplicity, SEA Gas considers that costs associated with the OTS Code Panel should be recovered through the fees applied to the CTP and DAA, as the OTS Code applies equally to both markets.</p>

Once again, we appreciate the opportunity to provide feedback on the fee structure and hope that our views assist in the decision-making process.

Yours sincerely



Jamie Coombs
Regulatory Coordinator