

Notice to Participants of AEMO's decision on making the STTM Procedures – STTM Deviations and the Settlement Surplus and Shortfall

This Notice advises all Registered Participants (Participants) and other interested stakeholders that the consultation for changes to the Short Term Trading Market (STTM) Procedures under the ordinary procedure change consultative process, prescribed in rule 135EE of the National Gas Rules (NGR), concluded on 4 April 2014. These proposed changes were to assign deviation costs to causers, and modify the settlement surplus and shortfall distribution to be based on deviations.

Taking into account the assessment provided in the Impact and Implementation Report (IIR), and the Australian Energy Market Commission's (AEMC) decision to amend the NGR (National Gas Amendment (Settlement Surplus and Shortfall) Rule 2014 No. 2), AEMO hereby gives notice that it has decided not to amend the STTM Procedures.

AEMO's reasoning for not amending the STTM Procedures is:

- The Australian Energy Market Commission (AEMC) made a rule change on 3 April 2014, the National Gas Amendment (Settlement Surplus and Shortfall) Rule 2014 No. 2. This rule change "undoes" a previously made rule¹ (commencing 1 May 2014), then "re-makes" that previous rule with an amended rule 464(2A) concerning distribution of the settlement surplus and shortfall, commencing 1 November 2014.
- These changes to the NGR mean that the STTM Procedures AEMO consulted on no longer comply with the NGR.

AEMO did not receive submissions from stakeholders in response to the Proposed Procedure Change (PPC) or the IIR.

AEMO considers that this procedure change no longer meets the National Gas Objective requirements for efficient operation and use of natural gas services for the long term benefit of natural gas consumers.

AEMO will consult separately on STTM Procedures to comply with the amended rules.

Notice Date: 17 April 2014

¹ National Gas Amendment (STTM Deviations and the Settlement Surplus and Shortfall) Rule 2013 No. 4.