

## Retail Market Fees – NSW and ACT

### 1. Definitions

For the purpose of this document:

**Market Participant** means a company registered with AEMO, under Part 15B of the National Gas Rules, in one of the follow categories:

- (i) network operator
- (ii) user
- (iii) self-contracting user

Note: Company's that are registered as a self-contracting user, have a different fee structure, as defined in Part B of this document.

**Market Share** (for the purpose of this document) means, with respect to a *Market Participant*, the proportion (expressed as a percentage) of gas delivery point identifier for which that *Market Participant* is the current user, as compared with the total number of gas delivery point identifiers for all *Market Participants* on the last day of a calendar month.

**Total Costs (TC)** means the total annual cost of establishing, operating and maintaining the Retail Market in NSW and ACT, calculated on a calendar monthly basis but not including Special Market Operation Costs or costs incurred by AEMO in connection with the operation of the Retail Market.

**Total Transactions** means the sum of the *Transaction Rates* for all *Market Participants* in a calendar month.

**Transaction Rate** means, with respect to a *Market Participant*, the proportion (expressed as a percentage) of delivery points which during a calendar month are:

- (i) allocated to that *Market Participant* as the result of the completion or creation of delivery point transactions under the Retail Market Procedures (NSW and ACT); and/or
- (ii) transferred to that *Market Participant* as the result of the completion of change of user transactions under the Retail Market Procedures (NSW and ACT),

as compared with the total number of delivery points of all *Market Participants* on the last day of the calendar month.

**Special Market Operation Costs** means the costs of providing Specific Market Operation Services to Network Operators and Users by AEMO.

## 2. Funding Principles

The Total Costs will be recovered from Market Participants that are not a self-contracting user (*Participant*) as follows:

Proportion of Total Costs (TC)	Method of Recovery
10% x TC (the <i>Standing Charge</i> )	From all <i>Participants</i> , in equal shares.
X% of TC (see # below)	From each <i>Participant</i> , based on the Transaction Rate for that <i>Participant</i> .
(90-X)% x TC (see * below)	From each <i>Participant</i> , based on the Market Share for that <i>Participant</i> .

- # - The X% is the share (capped at a maximum of 45%) of the total monthly cost attributed to the transaction rate. X is calculated as follows:  $X = 4.5 * 12 * (\text{Total Transaction Rate})$
- \* - The Market Share Factor is the remaining amount to be recovered after the Member's Contribution and Transaction Rate charge. As such, it is defined as (90% - X%). The 90% is the remaining amount once the Members Contribution of 10% of total cost is deducted.

Costs for Self-Contracting Users	Method of Recovery
\$2,500 + GST	From all self-contracting users, annually in advance.

## 3. Method

- AEMO will estimate the amounts in the above table at the beginning of each calendar month.
- At the end of each calendar month to which the estimate related, AEMO will calculate the actual amount referable to that calendar month and make the necessary adjustments to the feeds recovered from Market Participants to reflect the actual amounts.
- The amounts in the table will be calculated on a pro rata basis for those Market Participants who become a Market Participant during a calendar month.

## 4. Special Market Operation Costs

- The Special Market Operation Costs will be recovered from those Market Participants who receive Specific Market Operation Services from AEMO in a calendar month.
- At the end of each calendar month, AEMO will calculate the amount of Special Market Operation Costs payable to each Service Recipient in respect of Special Market Operation Services provided by AEMO during that calendar month.