

STTM PROCEDURES – IMPACT & IMPLEMENTATION REPORT (FURTHER AMENDMENTS FOR BRISBANE STTM HUB)

PREPARED BY: QLD STTM PROJECT

VERSION: 1.0

STATUS: FINAL

ISSUE DATE: 28 JULY 2011

NOTE: THE EFFECTIVE DATE OF CHANGES TO THE STTM PROCEDURES FOR THE
BRISBANE STTM HUB WILL BE ADVISED BY FORMAL NOTICE

IMPACT & IMPLEMENTATION REPORT – SUMMARY SECTION			
<i>(For AEMO to complete and administer)</i>			
Issue Number			
Impacted Jurisdiction (s)	Queensland		
Proponent	QLD STTM Project	Company	AEMO
Affected Gas Markets(s) <ul style="list-style-type: none"> ▪ Retail ▪ Victorian Wholesale ▪ STTM ▪ Bulletin Board 	STTM	Consultation process (Ordinary or Expedited)	Expedited
Industry Consultative forum(s) used	Approved Process for Procedure Changes; PPC issued	Date Industry Consultative forum(s) consultation concluded	PPC concluded 20 July 2011
Short Description of change(s)	This Impact and Implementation Report (IIR) deals with amendments to the technical description of custody transfer points defining the Brisbane hub in the STTM Procedures.		
Procedure(s) or Documentation impacted	STTM Procedures version 5.1		
Summary of the change(s) and reasons for the change(s)	It is proposed to make further minor amendments to the definition of the Brisbane hub in the STTM Procedures, to align the custody transfer points with those defined in Gas Transportation Agreements.		
I&IR Prepared By	QLD STTM Project	Approved By	Craig Price
Date I&IR published	28 July 2011	Date Consultation under 135EE concludes	Friday 19 August 2011
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IMPACT & IMPLEMENTATION REPORT – DETAILED REPORT SECTION

CRITICAL EXAMINATION OF PROPOSAL

<p>1. Description of change(s) and reasons for change(s)</p>	<p><u>Brisbane Hub</u></p> <p>The National Gas Rules (NGR) defines hubs by reference to a collection of custody transfer points [r372A(1)] which are specified in the STTM Procedures. Section 2.3 of Version 5.1 of the STTM Procedures defines the custody transfer points for the Brisbane hub.</p> <p>It is proposed to make minor amendments to the technical descriptions of these custody transfer point to align with them with definitions applied in the Gas Transportation Agreements and the physical infrastructure and its ownership. This will align the STTM hub with contracts, and facilitate participant and facility operator preparations for commencement of the hub.</p>
<p>2. Reference documentation</p> <ul style="list-style-type: none"> ▪ Procedure Reference ▪ GIP/Specification Pack Reference ▪ Other Reference 	<p>Changes to the STTM Procedures, Version 5.1, section 2.3 Brisbane hub are required.</p> <p>This proposal for change is based on version 5.1, which is version 5.0 (version applicable to the current live market) with amendments for the future Brisbane STTM hub.</p>
<p>3. The high level details of the change(s) to the existing Procedures</p>	<p>Refer Detailed Section part (1) of this IIR.</p>
<p>4. Explanation regarding the order of magnitude of the change</p>	<p>The proposed changes to the STTM Procedures are minor technical amendments to the definition of custody transfer points for the Brisbane hub to align with Gas Transportation Agreements. As such, they are deemed non-material. The consequence of not making the changes would be significant, as not making the changes would result in significant disruption, risk and cost to participants, and would necessitate a delay to market start.</p>

ASSESSMENT OF LIKELY EFFECT OF PROPOSAL

<p>5. Overall Industry Cost / benefit (tangible / intangible / risk) analysis and/or cost estimates</p>	<p><u>Costs</u></p> <p>These changes, if made, minimise the need for change to AEMO and participant systems and Gas Transportation Agreements. Failure to make the changes would, at this stage, necessitate a delay to market start, resulting in substantive costs incurred by AEMO and participants.</p>
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	<p><u>Benefits</u></p> <p>The proposed changes align the definition of custody transfer points in the STTM procedures with that in Gas Transportation Agreement and avoid risks and costs that would arise should the changes not be made.</p>
<p>6. The likely implementation effect of the change(s) on stakeholders</p>	<p>Refer Detailed Section parts (1) and (5) of this IIR.</p>
<p>7. Testing requirements</p>	<p>Not applicable</p>
<p>8. AEMO's preliminary assessment of the proposal's compliance with section 135EB</p>	<p>The proposed changes are consistent with the National Gas Law and the National Gas Rules.</p>
<p>9. Consultation Forum Outcomes</p>	<p>AEMO consulted with affected parties by issuing a Proposed Procedure Change on 13 July 2011. Consultation closed on 20 July 2011, and no formal submissions were received. Affected parties sought further advice on the following matters:</p> <p><i>(1) Clarification was sought as to why the amendment to Clause (l) did not cite a meter station:</i></p> <p>The NGR defines a custody transfer point as “a point at which natural gas passes from a pipeline, storage facility or production facility to an STTM distribution system.”</p> <p>The custody transfer point is the outlet at the connection point to the lateral. The pipeline operator for the RBP advises that the pipeline finishes at the connection point to the Lytton lateral. It is at this point that gas flows into the ‘deemed’ STTM distribution system as defined in r372A(3). They also advise that metering of gas flows at this custody transfer point occurs downstream of the end of the pipeline.</p> <p><i>(2) Clarification was sought as to why there was no corresponding amendment in Clause (b) of the description of the Redbank custody transfer point:</i></p> <p>The APA Group, as the owner of the RBP, advises that the Redbank custody transfer point is different to the other distribution points as they own the metering station. At all other distribution points, the metering station is owned by the distributor, and, as such, the pipeline ends at the connection point to the metering station. Due of this difference, the Redbank custody transfer point is described as being at the</p>

	outlet of the distribution metering station.
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RECOMMENDATION(S)	
10. Should the proposed Procedures be made, (with or without amendments)?	AEMO recommends that the changes to the STTM Procedures detailed in Attachment A be made.
11. If applicable, a proposed effective date for the proposed change(s) to take effect and justification for that timeline.	The effective date of these changes to the STTM Procedures is the “Brisbane commencement date”, as defined in the NGR. This date will be announced by formal notice.

IMPLEMENTATION AND IMPACT REPORT – GLOSSARY

Abbreviation	Explanation
AEMO	Australian Energy Market Operator
NGR	National Gas Rules
RBP	Roma-Brisbane Pipeline
STTM	Short Term Trading Market

ATTACHMENT A – DOCUMENTATION OF CHANGES

In this attachment, all proposed Procedures covered by the Implementation and Impact Report have been presented.

To assist in readability:

- Each topic is presented in its own section;
- Under each topic, Procedures have been presented in the sequence they are in the STTM Procedures;
- The Chapter and Section references are presented;
- The entire clause or paragraph of a Procedure is presented to provide context, with changes highlighted:
 - Insertions are in **blue** and underlined (e.g. insertion); and
 - Deletions are in **red** and struck-through (e.g. ~~deletion~~);
- A table setting out the Procedures affected appears below.

Changes are shown against version 5.1 of the STTM Procedures.

PROPOSED STTM PROCEDURE DRAFTING	COMMENTS
<p>CHAPTER 2 – HUBS</p> <p>2.3 Brisbane Hub</p> <p>For the purposes of rule 372A(1) of the Rules, the following <i>custody transfer points</i> comprise the <i>Brisbane hub</i>:</p> <p>(a) custody transfer point 1: the outlet of the Riverview distribution meter station from the <i>STTM pipeline</i> identified on the Natural Gas Services Bulletin Board as the Roma - Brisbane Pipeline with the PlantID of 540057 <u>at the connection point to the Riverview distribution meter station</u>;</p> <p>(b) custody transfer point 2: the outlet of the Redbank distribution meter station from the <i>STTM pipeline</i> identified on the Natural Gas Services Bulletin Board as the Roma - Brisbane Pipeline with the PlantID of 540057;</p> <p>(c) custody transfer point 3: the outlet of the Swanbank facility meter station from the <i>STTM pipeline</i> identified on the Natural Gas Services Bulletin Board as the Roma - Brisbane Pipeline with the PlantID of 540057 <u>at the connection point to the Swanbank facility meter station</u>;</p> <p>(d) custody transfer point 4: the outlet of the Ellen Grove distribution meter station from the <i>STTM pipeline</i> identified on the Natural Gas Services Bulletin Board as the Roma - Brisbane Pipeline with the PlantID of 540057 <u>at the connection point to the Ellen Grove distribution meter station</u>;</p> <p>(e) custody transfer point 5: the outlet of the Willawong distribution meter station from the <i>STTM pipeline</i> identified on the Natural Gas Services Bulletin Board as the Roma - Brisbane Pipeline with the PlantID of 540057 <u>at the connection point to the Willawong distribution meter station</u>;</p> <p>(f) custody transfer point 6: the outlet of the Runcorn distribution meter station from the <i>STTM pipeline</i> identified on the Natural Gas Services Bulletin Board as the Roma - Brisbane Pipeline with the PlantID of 540057 <u>at the connection point to the Runcorn distribution meter station</u>;</p>	<p>Custody transfer point is the outlet at the connection point to the meter station.</p> <p>No change is needed to this definition, as the pipeline operator for RBP advises that, unlike the other points, they own the metering facility, and therefore the custody transfer point is at the outlet of the distribution metering station.</p> <p>Custody transfer point is the outlet at the connection point to the meter station.</p> <p>Custody transfer point is the outlet at the connection point to the meter station.</p> <p>Custody transfer point is the outlet at the connection point to the meter station.</p> <p>Custody transfer point is the outlet at the connection point to the meter station.</p>

PROPOSED STTM PROCEDURE DRAFTING	COMMENTS
<p>(g) custody transfer point 7: the outlet of the Mt Gravatt distribution meter station from the <i>STTM pipeline</i> identified on the Natural Gas Services Bulletin Board as the Roma - Brisbane Pipeline with the PlantID of 540057 <u>at the connection point to the Mt Gravatt distribution meter station</u>;</p>	<p>Custody transfer point is the outlet at the connection point to the meter station.</p>
<p>(h) custody transfer point 8: the outlet of the Tingalpa distribution meter station from the <i>STTM pipeline</i> identified on the Natural Gas Services Bulletin Board as the Roma - Brisbane Pipeline with the PlantID of 540057 <u>at the connection point to the Tingalpa distribution meter station</u>;</p>	<p>Custody transfer point is the outlet at the connection point to the meter station.</p>
<p>(i) custody transfer point 9: the outlet of the Doboy distribution meter station from the <i>STTM pipeline</i> identified on the Natural Gas Services Bulletin Board as the Roma - Brisbane Pipeline with the PlantID of 540057 <u>at the connection point to the Doboy distribution meter station</u>;</p>	<p>Custody transfer point is the outlet at the connection point to the meter station.</p>
<p>(j) custody transfer point 10: the outlet of the Murarrrie distribution meter station from the <i>STTM pipeline</i> identified on the Natural Gas Services Bulletin Board as the Roma - Brisbane Pipeline with the PlantID of 540057 <u>at the connection point to the Murarrrie distribution meter station</u>;</p>	<p>Custody transfer point is the outlet at the connection point to the meter station.</p>
<p>(k) custody transfer point 11: the outlet of the Gibson Island facility meter station from the <i>STTM pipeline</i> identified on the Natural Gas Services Bulletin Board as the Roma - Brisbane Pipeline with the PlantID of 540057 <u>at the connection point to the Gibson Island facility meter station</u>; and</p>	<p>Custody transfer point is the outlet at the connection point to the meter station.</p>
<p>(l) custody transfer point 12: the outlet of the Lytton facility meter station from on the <i>STTM pipeline</i> identified on the Natural Gas Services Bulletin Board as the Roma - Brisbane Pipeline with the PlantID of 540057 <u>at the connection point to the Lytton lateral</u>.</p>	<p>The custody transfer point is the outlet at the connection point to the lateral. The pipeline operator for the RBP advises that the pipeline finishes at the connection point to the Lytton lateral. It is at this point that gas flows into the 'deemed' STTM distribution system as defined in r372A(3).</p>