



Western Australia Gas Services Information 2019-20 AEMO Final Budget and Fees

June 2019

Executive summary

AEMO operates on a cost recovery basis as a company limited by guarantee under the Corporations Act (2001). AEMO recovers all operating costs through fees paid by participants.

AEMO's annual budget sets out the amounts that will be charged under the Gas Services Information rules (GSI), 114. This report provides a view of the final WA Gas Services Information (GSI) revenue and expenses for 2019-20.

The key points of the 2019-20 final budget are:

- AEMO GSI revenue requirement is \$1.71m for 2019-20.
- AEMO will continue to manage costs prudently to reduce the impact of fee increases to market participants and will identify further opportunities for efficiencies.

1.1 Summary of Fees

Table 1 Summary of revenue requirement

Revenue requirement	Actual 2018-19	Budget 2019-20	Estimate 2020-21	Estimate 2021-22
AEMO GSI revenue requirement (\$'000)	1,520	1,708 +12%	2,005 +17%	2,006 -0%
ERA revenue requirement (\$'000)	70	80	TBC	TBC

1.2 Contact for inquiries

AEMO contact for inquiries

For all queries on budget and fees, please contact 2019-20budget@aemo.com.au

Contents

Executive summary	2
1.1 Summary of Fees	2
1.2 Contact for inquiries	2
2. Western Australia (WA) GSI	4
2.1 Fees	4
2.2 Revenue and Expenditure	4
3. Economic Regulation Authority (ERA)	5
Symbols and abbreviations	6

Tables

Table 1 Summary of revenue requirement	2
Table 2 Projected GSI fees	4
Table 3 Profit and Loss statement 2019-20 and comparison	4
Table 4 ERA revenue requirements	5

2. Western Australia (WA) GSI

2.1 Fees

Purpose of this function	<p>The GSI function includes the GBB (WA) and WA GSOO. The objectives of the GBB (WA) and WA GSOO is to ensure:</p> <ul style="list-style-type: none"> • Security, reliability and availability of the supply of natural gas. • Efficient operation and use of natural gas services. • Efficient investment in natural gas services. • Facilitation of competition in the use of natural gas services. <p>Similar to the GBB on the East Coast, the WA GBB is an information website hub to provide flow information on gas, transmission, storage, emergency management with supply disruptions, and demand in WA.</p> <p>The WA GSOO is an annual planning document providing medium to long term outlook of gas supply and demand in WA, transmission and storage capacity.</p>
Fees	<p>The recovery fee has increased to \$1.708m (+12%) in 2019-20 due to an increase in operational costs which was approved by the ERA on the 14 June 2019. For further information, please refer to the AEMO Allowable Revenue and Forecast Capital Expenditure 2019/20 to 2021/2022 final determination on the ERA website.</p>

Table 2 Projected GSI fees

Revenue requirement	Actual 2018-19	Budget 2019-20	Estimate 2020-21	Estimate 2021-22
AEMO GSI revenue requirement (\$'000)	1,520	1,708 +12%	2,005 +17%	2,006 +0%

2.2 Revenue and Expenditure

Table 3 Profit and Loss statement 2019-20 and comparison

	Budget 2018-19	Budget 2019-20	Variance	
	\$'000	\$'000	\$'000	%
Fees and tariffs	1,520	1,708	188	+12%
Total Revenue	1,520	1,708	188	+12%
Labour and Contractors	806	1,083	277	+34%
Consulting	224	249	24	+11%
Fees - Agency, Licence & Audit	60	40	(20)	-33%
IT & Telecommunication	174	150	(24)	-14%
Occupancy	146	44	(102)	-70%
Other Expenses	82	158	76	+92%
Depreciation & Amortisation	139	333	194	+140%
Total Expenditure	1,631	2,056	425	0
Surplus/(Deficit)	(111)	(348)	(237)	
Brought Forward Surplus/(Deficit)	112	348	236	
Accumulated Surplus/(Deficit)	1	(0)		

3. Economic Regulation Authority (ERA)

Purpose of this function	To ensure that WA has a fair, competitive and efficient environment for consumers and businesses.
Fees	AEMO is required to recover the funding for the ERA from WEM market customers and generators and gas shippers (i.e. pass through recovery). Total expenditure budgeted by the ERA for the GSI function in 2019-20 is \$80k (+14% increase) (2018-19: \$70k).
Other notes	For any questions on the ERA budget in 2019-20, contact Pam Herbener, Director, Corporate Services at pam.herbener@erawa.com.au

Table 4 ERA revenue requirements

ERA revenue requirement	Actual 2018-19	Budget 2019-20
GSI (\$'000)	70	80 +14%

Symbols and abbreviations

Term	Definition
AEMO	Australian Energy Market Operator
ERA	Economic Regulation Authority
GSI	Gas Services Information
TBC	To be Confirmed
WA	Western Australia