



EnergyAustralia

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Dear Commissioners,

Pipeline operator cost recovery processes: Consultation paper 6 December

EnergyAustralia welcomes the opportunity to comment on Australian Energy Regulator's (AER) Rule change in relation to the "Pipeline operator cost recovery processes."

EnergyAustralia is one of Australia's largest energy companies providing gas and electricity to over 2.7 million household customers. We own and operate an integrated portfolio of energy generation and storage facilities across Australia.

We support the Rule change as submitted by AER.

The AER Rule change will improve the efficiency and operation of the process for the recovery of costs incurred by pipeline operators in relation to the market operator service (MOS) in the short term trading market, and the aggregation and information services in the national gas market bulletin board.

Therefore, we support the proposal to amend the National Gas Rules to:

- amend the role of the AER and AEMO so that if an objection to the payment of an invoice is raised by an interested party, the AER will be the decision maker and inform AEMO of the amount payable
- require the AER to apply an efficiency test, rather than a test of reasonableness, to determine the level of MOS allocation service costs
- require that the evidence included with a pipeline operator's costs estimates and invoices provide justification that the invoiced costs could be expected to be, or would have been, incurred by a prudent operator
- provide the AER with a period of 60 business days to assess an invoice, with the ability of the AER to extend this deadline by a further 30 business days if required

- include a definition of 'MOS allocation service' to clarify that only the costs associated with pipeline deviation services as MOS or over run MOS – in accordance with Rule 421 - are recoverable under the process set out in Rules under 424 and 425.

We thank the AEMC for its consideration of the issues that we have raised in this paper. If you have any enquiries regarding this submission, please feel free to contact Mr. Con Noutso - Regulatory Manager at EnergyAustralia on Tel: 03 8628 1240.

Yours sincerely

Signed for email

Con Noutso
Regulatory Manager