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26 February 2014

Mr Marc Tutaan
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

AEMC reference: GR0022

Dear Mr Tutaan

Thank you for the opportunity to comment on the Rule change proposal lodged by the Australian Energy Market Operator (AEMO) in relation to the timing and frequency of publication of the Gas Statement of Opportunities (GSOO) and the Gas Victorian Annual Planning Report (VAPR).

APA Group (APA) supports this Rule change proposal and considers that it has been appropriately classed as a non-controversial change.

Frequency of publication of the VAPR

APA has historically used the demand forecast data included in the VAPR in the preparation of access arrangement proposals. APA does not consider that this ability is materially adversely impacted by the change in frequency of the report publication: access arrangement preparation processes typically commence 12 months before submission, and the regulator's decision making process takes a further 12 months. There is opportunity within this period for up to date information to be incorporated into proposals and decisions where relevant.

APA considers that an important element of the rule change proposal is to maintain the requirement that AEMO publish an update to the planning report when it becomes aware of information that materially alters its most recent planning review. APA considers that this clause ensures that material changes to the market or the transmission system will always be made available to interested stakeholders, regardless of the formal timing for publication of updated reports.

Timing of publication of the VAPR and GSOO

APA supports the change in timing for publication of the VAPR and GSOO to 31 March. The change in date does allow the most recent winter data to be used, and the alignment of publication dates should reduce costs incurred by AEMO in preparing these reports.

In this regard, APA considers that AEMO's estimate of a reduction of one full time equivalent position appears conservative. On the basis of the work involved APA would consider that the efficiencies available would be more significant and believes these should be directly reflected in AEMO fees charged to market participants. It is worth noting that 'redeployment' of resources freed up as a result of this change would not lead to the consumer price impacts and efficiencies assumed by AEMO in the Rule change proposal.



It is therefore important that these cost reductions are achieved and sustained for consumers to benefit.

Continued availability of annual demand forecasts

As noted in the AEMO proposal and AEMC consultation paper, AEMO has undertaken to continue to provide APA with annual demand forecasts each October. These forecasts are important for the operation of the annual tariff reset process, as well as used in the modelling and APA's capacity planning for the Victorian Transmission System.

While there is an undertaking to continue preparing and providing this information to APA on an annual basis and in time for annual tariff reset processes, APA notes that this is not a requirement set out in the Rules. APA acknowledges that AEMO's past practice has been to prepare this information and provide it to APA outside of the formal Rule-based report publication requirements. On this basis, APA does not see any reason why this important, albeit informal, practice will not continue in the future. APA therefore does not consider there is a compelling reason not to continue with this Rule change as proposed by AEMO.

If you would like any further information, please call me on 02 9275 0020.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alexandra Curran', is written over a horizontal line.

Alexandra Curran
Regulatory Manager