

**Gas Advisory Board**

## Agenda

<b>Meeting No.</b>	6
<b>Location:</b>	IMO Board Room Level 17, Governor Stirling Tower, 197 St Georges Terrace, Perth
<b>Date:</b>	Tuesday, 9 October 2012
<b>Time:</b>	1:00PM to 3:00PM

Item	Subject	Responsible	Time
1.	<b>WELCOME</b>	<b>Chair</b>	5 min
2.	<b>MEETING APOLOGIES / ATTENDANCE</b>	<b>Chair</b>	
3.	<b>MINUTES OF PREVIOUS MEETING</b>	<b>Chair</b>	5 min
4.	<b>ACTIONS ARISING</b>	<b>Chair</b>	
5.	<b>GAS INFORMATION SERVICES PROJECT UPDATE</b>	<b>IMO</b>	5 min
6.	<b>GAS INFORMATION SERVICES RULES – DRAFT GOVERNANCE RULES</b>	<b>IMO</b>	15 min
7.	<b>GIS DESIGN DRAFT – DISCUSSION</b>  a) Large users – definition and information requirements  b) Definition of pipeline segments	<b>IMO</b>	60 min
8.	<b>GENERAL BUSINESS</b>		
9.	<b>NEXT MEETING: Thursday, 8 October 2012</b>		

## Independent Market Operator Gas Advisory Board

### Minutes

<b>Meeting No.</b>	5
<b>Location:</b>	IMO Board Room
<b>Date:</b>	11 September 2012
<b>Time:</b>	1:00 PM – 2:15 PM

<b>Attendees</b>	<b>Class</b>	<b>Comment</b>
Allan Dawson	Chair	
Ben Coetzer	Producer	
Pete Ryan	Producer	
Stephen Livens	Pipeline	
John Jamieson	Pipeline	Proxy for Steve Lewis
Gordon Rule	Major User	
Mike Shaw	Major User	
Suzanne Frame	Independent Market Operator (IMO)	
David Murphy	Small End Users (Public Utilities Office (PUO))	
Nenad Ninkov	Shipper	
Geoff Gaston	Shipper	
Paul Hynch	Observer, (PUO )	
<b>Apologies</b>	<b>Class</b>	<b>Comment</b>
Wana Yang	Observer, Economic Regulation Authority (ERA)	
Steve Lewis	Pipeline	Proxy sent
<b>Also attended</b>	<b>From</b>	<b>Comment</b>
Kate Ryan	IMO	Presenter
Brendan Ring	Market Reform	Presenter
Jenny Laidlaw	IMO	Observer
Joachim Tan	IMO	Observer
Rebecca Denton	IMO	Minute-taker

<b>Item</b>	<b>Subject</b>	<b>Action</b>
1.	<p><b>WELCOME</b></p> <p>The Chair opened the meeting at 1:00 PM and welcomed members to the fifth Gas Advisory Board (GAB) meeting.</p>	
2.	<p><b>APOLOGIES</b></p> <p>Wana Yang (ERA) sent her apologies.</p> <p>John Jamieson attended the meeting as a proxy for Steve Lewis (Pipeline).</p>	

Item	Subject	Action
3	<p><b>MINUTES OF PREVIOUS MEETINGS</b></p> <p>As the GAB failed to reach a quorum in the previous meeting, the Chair asked for any comments on the minutes from meetings 3 and 4. No comments were raised and both sets of minutes were accepted.</p>	
4	<p><b>ACTIONS ARISING</b></p> <p>Ms Ryan provided an update on the action points from the third and fourth GAB meetings:</p> <p>The gap analysis between the Gas Bulletin Board (GBB) and National Gas Bulletin Board (NBB) has been deferred.</p> <p>The IMO had sent questions from the GAB members to the Australian Energy Market Operator (AEMO), and received a response from AEMO. AEMO's response to the questions was circulated to GAB members when it was received.</p> <p>The evaluation of the life cycle costs of the Gas Bulletin Board (GBB) has not yet commenced, but is due to be undertaken shortly.</p> <p>The proposed outline of the Gas Information Services (GIS) Rules was presented in the fourth meeting.</p> <p>No feedback or questions had been submitted to the IMO on the PUO drafting of the Gas Services Information (GSI) Regulations and proposed that this item could now be closed.</p> <p>The PUO does not intend to rename the Electricity Review Board, as it would involve a change in legislation. The PUO has circulated an electronic copy of the GSI Regulations overview to the GAB members.</p> <p>Ms Ryan added that the suggestion by the GAB members at meeting 4 that the IMO will, if possible, note in the draft GIS Rules the source of certain provisions (e.g. Wholesale Electricity Market Rules or National Gas Law), where applicable.</p> <p>No further comments were received on the draft Guiding Principles for the GIS Design produced by Market Reform.</p>	
5	<p><b>GAS INFORMATION SERVICES PROJECT – UPDATE</b></p> <p>Ms Ryan provided a brief update on the Gas Information Services Project (GISP):</p> <p>Drafting of the second tranche of GSI regulations is now underway, and this will provide the heads of power for the drafting of the rules and will set out the compliance regime.</p> <p>Rules drafting for the GIS Rules has just commenced. Ms. Rhonda Andrieux has been engaged to draft the rules. Drafting is beginning with the governance section, followed by other sections as the design is finalised. The IMO hopes to present the governance section of the rules at the next GAB meeting.</p>	

Item	Subject	Action
	<p>The tender process for building the GBB system is concluded, and a recommendation has been made to the IMO Board. Subject to the Boards approval, the IMO will begin detailed scoping of the project.</p>	
<p><b>6</b></p>	<p><b>GIS DESIGN DRAFT REPORT – DISCUSSION</b></p> <p>Mr. Brendan Ring of Market Reform presented his draft GIS Design to the GAB.</p> <p>The definition of nameplate capacity in relation to pipelines was discussed. The capacity of a pipeline can change from one point of the pipeline to the other. The GAB also discussed the maximum capacity of a pipeline during an emergency compared to normal operations of the pipeline.</p> <p>The reporting of pipeline maintenance was discussed, with the issue of planned and unplanned maintenance being reported. The equity of maintenance information sharing between users and production facilities/pipelines was brought up, with the Chair responding that there were proposals in the Wholesale Electricity Market that could result in more outage data to be made available for electricity generation facilities. The Chair suggested that some information swapping between the gas and electricity sectors could be discussed at a later stage.</p> <p>The gas specification information proposed to be published on the GBB was discussed by the GAB. Mr Ring pointed out that there is no equivalent on the NBB for this, but that this was more of an issue for the PUO. The regulations pertaining to the gas specifications would prescribe the data required from participants and published on the GBB.</p> <p>Members of the GAB inquired whether backhaul would be reflected on the GBB. Mr Ring informed the GAB that the physical flows of gas would be shown on the GBB, as opposed to contractual arrangements. The GAB noted that backhaul would have to be netted off from the nominated amounts, to reflect actual flows.</p> <p>The segregation of gas users by type was questioned by the GBB. Mr Ring replied that the inclusion of demand information is required by the GSI Act and added that it would be useful data for the GSOO and for other parties in the gas industry.</p> <p>The GAB questioned how the costs of the GBB were proposed to be allocated. Mr Ring informed them that it was proposed that costs be met by shippers on a pro-rata basis, based on shipper allocations.</p> <p>Some members of the GAB raised concerns over the level of granularity of the data that they could be expected to provide to the GBB. They argued that unless there was an obvious need for the information to be published, it shouldn't, that they communicated directly between themselves. This was countered by members operating in the secondary market, who have little access to market data, yet are affected by changes in the capacity of facilities.</p> <p>The costs and time taken to submit the information to the GBB was brought up by members of the GAB, also the risks involved by mistakenly submitting incorrect or inaccurate information to the GBB as regards liability. The Chair</p>	

Item	Subject	Action
	<p>reiterated that the GBB is an information service, and that it would not display price information.</p> <p><i>Action Item: The IMO to investigate whether outage information for electricity generators is publicly available and whether it could be used to reflect large user outages in the GBB.</i></p>	<p><b>IMO</b></p>
<p><b>7</b></p>	<p><b>GENERAL BUSINESS</b></p> <p>No further issues were raised.</p>	
<p><b>8</b></p>	<p><b>NEXT MEETING</b></p> <p>Tuesday, 9 October 2012.</p>	
<p><b>CLOSED</b></p> <p>The Chair declared the meeting closed at 2:15 PM</p>		

## Gas Advisory Board (GAB) - Action Points

### Legend:

<b>Unshaded</b>	Unshaded action points are still being progressed.
<b>Shaded</b>	Shaded action points are actions that have been completed
<b>Missing</b>	Action items missing from sequence have been completed from previous meeting and subsequently removed from the log.

#	Year	Action	Responsibility	Meeting arising	Status / progress
3	2011	The IMO to conduct a gap analysis to analyse the requirements of the GBB against what the NBB can deliver.	IMO	December	Deferred pending detailed design of WA GBB.
9	2012	IMO to evaluate the lifecycle costs of the GBB system (when funding is available to do so).	IMO	March	Underway. Expected to be available for stakeholder information in November 2012.
16	2012	The IMO to consider whether it can identify the source of provisions in the draft GIS Rules.	IMO	August	Underway. Being considered during drafting of GIS Rules.
18	2012	The IMO to investigate whether outage information for electricity generators is publicly available and whether it could be used to reflect large user outages in the GBB.	IMO	September	Underway – relates to work underway for the WEM.

## Agenda Item 5: GISP Update

### 1. DRAFT DESIGN OF THE GAS INFORMATION SERVICES (GIS)

The consultation period for the draft report *Gas Information Services Design Report: Gas Bulletin Board and GSOO* closed on 20 September 2012, with a number of stakeholders requesting a time extension to 24 September, which Market Reform allowed.

Market Reform has reviewed the feedback from stakeholders and will shortly provide a report containing Market Reform's final recommendations to the IMO. The IMO will publish this final report, along with the (non-confidential) submissions received on the draft report on the IMO website. The recommendations in this final report will inform the IMO in the drafting of the GIS Rules, which will be subject to further consultation with stakeholders.

### 2. DRAFTING OF THE GIS RULES

Rules drafting is now well underway. Drafting commenced with the governance sections of the GIS Rules, which are largely based on the existing Wholesale Electricity Market Rules. Drafting is also now progressing on the obligations for the GBB and GSOO following the conclusion of the consultation undertaken by Market Reform on the draft GIS design.

The IMO is currently working on defining proposed GBB supply and demand zones to be included in the draft GIS Rules. The aim of the zone design is to maximise publication of useful data and show a clear picture of supply and demand in accordance with the primary purpose of the GBB in the *Gas Services Information Act 2012*.

During the development of the GIS Rules, the IMO intends to undertake **two** further rounds of consultation with stakeholders.

Round	Scope	Timing
1	<ul style="list-style-type: none"> <li>• The IMO's proposed design of:               <ul style="list-style-type: none"> <li>○ the GBB and GSOO (informed, as appropriate, by the recommendations of Market Reform and stakeholder feedback on the draft design), including zones; and</li> <li>○ the Emergency Management Facility (informed by advice received from the Gas Emergency Planning Committee).</li> </ul> </li> <li>• A draft of the GIS Rules based on this design (may exclude Rules relating to Emergency Management Facility).</li> <li>• A proposed scope and scenarios to be considered in the GSOO.</li> </ul>	22 Oct to 19 Nov 2012 (4 weeks)
2	<ul style="list-style-type: none"> <li>• A discussion of issues raised in consultation in round 1 and an explanation of any changes to the design and draft Rules.</li> <li>• A further (complete) draft of the GIS Rules.</li> </ul>	3 to 21 Dec 2012 (3 weeks)



In scheduling this consultation, the IMO is seeking to balance the need to provide stakeholders with as much opportunity as possible to review and provide feedback on the draft requirements of the GIS, while also ensuring the Rules can be finalised for approval by the Minister for Energy early in 2013 to ensure the GIS can commence by 1 July 2013 as announced by the Minister.

The IMO requests that stakeholders make every effort to ensure resources are available within their organisation to participate in this consultation. The proposed consultation periods are available on the IMO website to assist stakeholders in allocating resources.

### 3. COST-BENEFIT ANALYSIS

In submissions on the draft report, a number of stakeholders indicated that a cost-benefit analysis should be undertaken in relation to the proposed arrangements.

While the Government has already decided to implement the GIS and has enacted legislation to do so, the IMO could commission such an analysis and welcomes GAB members' feedback on whether this would be a useful exercise (noting the cost of the study would be included in the IMO's GIS implementation costs which will ultimately be recovered via fees from participants, and stakeholders will likely be requested to provide information to assist with the analysis).

The analysis would be based on the proposed design of the GIS on which the round 1 consultation draft of the GIS Rules is based and would need to be completed quite quickly to ensure that any changes resulting from the analysis could be included in the round 2 consultation draft.

### 4. GBB SYSTEM

Detailed scoping of the GBB system commenced in mid September 2012. This IMO anticipates awarding a contract for the development of the GBB system in coming days to enable development of the system to start as early as possible.

The IMO has entered into new commercial arrangements with the Australian Energy Market Operator (AEMO) for AEMO to assist the IMO, as required, throughout the development of the GBB system. AEMO has assisted with the scoping phase for the system.

The IMO has also commenced some informal discussions with gas market participants to discuss how participants will interface with the system. A proposal is likely to be circulated shortly to all anticipated future GBB participants, for their information and feedback.

### 4. RECOMMENDATIONS

*It is recommended that the GAB:*

**a) Note** the update on the GISP; and

**b) Discuss** whether the IMO should commission a cost-benefit analysis of the GIS design.



## Agenda Item 6: GIS Governance Rules

### 1. SCOPE AND CONTEXT

An early draft<sup>1</sup> of the 'Governance' chapters of the draft Gas Information Services (GIS) Rules is attached for GAB information, discussion and any preliminary feedback.

The draft Governance Rules cover the following broad areas:

- Introductory matters, such as the objectives;
- Functions and powers of the IMO and other 'governance' bodies such as the GAB;
- The Rule change process;
- The making of Procedures and the Procedure change process; and
- A 'standard' consultation process for use when consultation is required on some other document (e.g. the GAB Constitution).

It should be noted that these draft Governance Rules have been developed without tranche 2 of the Gas Services Information Regulations 2012 being available. The Regulations are anticipated to provide for the following matters:

- Heads of power for the making of the GIS Rules and Procedures, including the requirement for Ministerial approval of the initial Rules;
- Power for the IMO to collect fees;
- The obligation for participants to register for the purposes of the GIS, and penalty for failing to do so;
- Provisions empowering the IMO to require participants to provide information, and for delegation by the IMO;
- A compliance regime (including civil penalties) for failure by participants to comply with obligations around information provision;
- A regime regulating the use of 'protected' (confidential) information by the IMO;
- Review of certain matters (including certain IMO decisions) by the Electricity Review Board;
- The resolution of disputes between participants and the IMO regarding invoices;
- Requirements for the IMO to keep the Minister informed of certain matters;

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<sup>1</sup> As the structure of the Rules is still under development, drafting matters such as cross referencing, standardisation of notes and references to the WEM Rules are still under way, as is the development of the Glossary.

- A cap on civil monetary liability that may be incurred, but only where the information was provided in bad faith or through negligence; and
- Amendments to other regulations, including the Gas Supply (Gas Quality Specification) Regulations 2010 to require parties to a Pipeline Impact Agreement to provide the same information to the IMO that they are currently required to provide to the Coordinator of Energy.

The Governance Rules have been developed on this basis, however, they may require amendment if the Regulations differ from current expectations.

In general, the Governance Rules draw from the Wholesale Electricity Market Rules. However, they do not necessarily replicate those Rules, reflecting differences between the scope of the WEM Rules and GIS Rules and improvements in drafting. Notes have been included throughout the attached draft Rules identifying, where possible, the source of each draft Rule.

## 2. KEY GOVERNANCE FEATURES

The Regulations and Rules, collectively, provide for robust governance of the operation of the GIS and administration of the GIS Rules by the IMO. Key features include:

- A robust, consultative Rule change process, which may be initiated by any person and requires Ministerial approval in certain circumstances, namely:
  - approval of the initial Rules; and
  - approval of any future changes to identified 'protected provisions' (not yet fully specified, but including key Rules such as the Rule Change process),
- A mechanism for review of key IMO decisions (not yet fully specified, but likely to include decisions around registration and Rule changes); and
- Requirements for an annual audit of the IMO's compliance with the GIS Rules, and for independent 'certification' of the GBB system.

## 3. RECOMMENDATIONS

*It is recommended that the GAB:*

**a) Note and discuss** the attached draft GIS Rules relating to matters of Governance

# **GAS INFORMATION SERVICES RULES**

**Part 1     Introductory matters**

**Part 2     Functions and powers of the IMO**

## **CONSULTATION DRAFT**

**October 2012**

The numbering and format of this draft are suitable for consultation purposes, and will at a later time be adjusted as necessary to conform to accepted numbering and formatting

## Part 1 Introductory matters

### 101 Name of Rules

These Rules (the Rules) are called the Gas Information Services Rules and are made under section 8 of the Gas Services Information Act 2012 (the GSI Act) and the Gas Services Information Regulations 2012 (the Gas Regulations).

### 102 GIS Objectives

- (1) The objectives of the Gas Bulletin Board (the GBB) and the Gas Statement of Opportunities (the GSOO) (the GIS Objectives) are to promote the long term interests of consumers of natural gas in relation to:
  - (a) the security, reliability and availability of the supply of natural gas in the State;
  - (b) the efficient operation and use of natural gas services in the State;
  - (c) the efficient investment in natural gas services in the State; and
  - (d) the facilitation of competition in the use of natural gas services in the State.
- (2) For the purposes of subrule (1):
  - (a) the primary purpose of the GBB is to provide information relating to short and near term natural gas supply and demand and natural gas transmission and storage capacity in the State; and
  - (b) the primary purpose of the GSOO is to provide information and assessments relating to medium and long term natural gas supply and demand and natural gas transmission and storage capacity in the State.

### 103 Interpretation

- (1) Definitions for the Rules are set out in Part 10 (Glossary).
- (2) Words and expressions used in the Rules have the same meanings they have, from time to time, in the GSI Act and the Gas Regulations, except so far as a contrary intention appears in the Rules.
- (3) The rules of interpretation set out in Part 11 (Interpretation) apply to the Rules and may be displaced, wholly or partly, by a contrary intention appearing in the Rules.

### 104 Hierarchy of legal instruments

In the event of an inconsistency between the Rules and the following legal instruments, the order of precedence is:

- (a) the GSI Act;
- (b) the Gas Regulations;
- (c) the Rules;
- (d) the Procedures;
- (e) any other subordinate instrument or document issued, made or given by the IMO under the Rules.

### **105 GIS Consultation Procedure**

- (1) If the Rules require the IMO to make an instrument (however described) in accordance with the GIS Consultation Procedure, the IMO must proceed in accordance with this rule.
- (2) The IMO must proceed as follows:
  - (a) the IMO must, after such consultation (if any) as the IMO considers appropriate, prepare a draft instrument; and
  - (b) the IMO must publish, on the IMO Website and in any other way the IMO considers appropriate, the draft instrument together with a notice:
    - (i) stating why the instrument is required; and
    - (ii) giving reasonable details of the context in which the draft instrument has been prepared, the issues involved and the possible effects of the instrument; and
    - (iii) inviting written submissions and comments on the draft instrument within a period (at least 20 Business Days) stated in the notice; and
  - (c) the IMO must, as soon as reasonably practicable after the end of the period allowed for making submissions and comments on the draft instrument, consider all submissions and comments made within the time allowed and make the instrument in its final form.
- (3) The IMO must prepare a written notice stating the reasons for making the instrument in its final form.
- (4) After making an instrument, the IMO must, without delay, publish the instrument and the written notice under subrule (3) relating to it on the IMO Website.
- (5) Subject to any other provisions in the Rules, an instrument made in accordance with this rule takes effect on the date provided for its commencement under the terms of the instrument or, if no date is so provided, 10 Business Days after the date the instrument was made.

## Part 2 Functions and powers of the IMO

### Division 1—General

#### 201 Functions and powers of the IMO

- (1) The IMO has the following functions and powers:
  - (a) to establish, operate and maintain the GBB;
  - (b) to register persons as GIS Participants, and to exempt certain persons from being registered as GIS Participants;
  - (c) to prepare and publish the GSOO;
  - (d) Rule making functions;
  - (e) Procedure making functions;
  - (f) monitoring compliance by persons with the Rules or Procedures;
  - (g) investigating breaches or possible breaches of the Rules or the Procedures;
  - (h) information gathering and disclosure functions; and
  - (i) any other functions conferred on the IMO under the Rules.
- (2) The IMO has power to do all things necessary or convenient to be done for or in connection with the performance of its functions.

*Drafting Note- see s91A NGL; WEM 2.1.2.*

#### 202 Delegation

- (1) The IMO may delegate any of its functions and powers under the Rules in accordance with rule 1110 and the GIS Laws.
- (2) Any delegation by the IMO under section 11 of the GSI Act extends to, and has effect for the purposes of, the Rules.

*Drafting Note- This rule and rule 1109 will be finalised when the Gas Regulations are settled.*

## **Division 2—Gas Advisory Board and Working Groups**

### **203 The Gas Advisory Board**

- (1) The IMO must establish a non-voting advisory board to be known as the Gas Advisory Board.
- (2) The role of the Gas Advisory Board is to advise the IMO in relation to:
  - (a) Rule Change Proposals and Procedure Change Proposals;
  - (b) matters concerning the development of the Rules and Procedures;
  - (c) the operation of the GBB; and
  - (d) the preparation of the GSOO.
- (3) [2.3.16] The IMO must, subject to applicable confidentiality requirements, provide the members of the Gas Advisory Board with any information in its possession that is pertinent to the issues being addressed by the Gas Advisory Board.

*Note—The GSI Act defines information that is ‘protected information’, and there will be a regime for dealing with confidential information in the Gas regulations and the GIS Rules.*

### **204 Composition of the Gas Advisory Board**

- (1) The Gas Advisory Board must consist of:
  - (a) a chairperson, who must be a representative of the IMO;
  - (b) one other person from the IMO;
  - (c) one person nominated by the Minister representing small end-use customers;
  - (d) persons appointed by the IMO, such persons to include:
    - (i) two persons representing pipeline operators and owners;
    - (ii) two persons representing gas producers;
    - (iii) two persons representing gas shippers; and
    - (iv) two persons representing gas users.
- (2) The Minister and the ERA may each appoint a representative to attend meetings of the Gas Advisory Board as an observer.

### **205 Appointment matters for the Gas Advisory Board**

- (1) The IMO may appoint and remove members of the Gas Advisory Board in accordance with the Rules.

## Part 2

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- (2) When appointing members of the Gas Advisory Board, the IMO must consult with, and take nominations from, GIS Participants and gas industry groups that it considers relevant to the Gas Information Services, and, if practicable, must choose members from persons nominated.
- (3) The IMO must annually review the composition of the Gas Advisory Board and may remove and appoint members following the review.
- (4) The IMO may remove a member of the Gas Advisory Board at any time in the following circumstances:
  - (a) the person becomes an undischarged bankrupt;
  - (b) the person becomes of unsound mind or his or her estate is liable to be dealt with in any way under a law relating to mental health; or
  - (c) an event specified for this purpose in the constitution for the Gas Advisory Board occurs; or
  - (d) in the IMO's opinion the person no longer represents the interests of the person or class of persons that they were appointed to represent in accordance with rule 204.
- (5) A member of the Gas Advisory Board may resign by giving notice to the IMO in writing.
- (6) Where a position on the Gas Advisory Board is vacant at any time, the IMO must use its reasonable endeavours to appoint a person to fill the position, but the Gas Advisory Board may continue to perform its functions under the Rules despite any vacancy.

### **206 Constitution for the Gas Advisory Board**

- (1) The IMO must, in accordance with the GIS Consultation Procedure, develop and publish a Constitution for the Gas Advisory Board which is consistent with the Rules.
- (2) The Gas Advisory Board must hold meetings and conduct its business in accordance with the Rules and with the constitution.
- (3) The Constitution must provide for matters such as:
  - (a) the process for appointing, replacing or removing members of the Gas Advisory Board by the IMO;
  - (b) any terms of reference of the Gas Advisory Board;
  - (c) the terms and conditions for members of the Gas Advisory Board;
  - (d) the process for convening the Gas Advisory Board;



- (e) the conduct of meetings of the Gas Advisory Board; and
- (f) any governance matters where the Gas Advisory Board establishes a working group.

### **207 IMO to provide Secretariat for the Gas Advisory Board**

- (1) The IMO must provide the Secretariat for the Gas Advisory Board.
- (2) The IMO, through the Secretariat, must convene the Gas Advisory Board in accordance with the Constitution:
  - (a) if the Rules require a meeting in relation to a Rule Change Proposal or a Procedure Change Proposal;
  - (b) not less than once every six months so as to raise and discuss issues with respect to the operation of the GBB and the preparation of the GSOO; and
  - (c) on any occasion when two or more members of the Gas Advisory Board have informed the Secretariat in writing that they wish to bring a matter relating to the matters listed in rule 203 before the Gas Advisory Board for discussion.

### **208 Gas Advisory Board may establish Working Groups**

The Gas Advisory Board may establish Working Groups to assist it in advising the IMO on any of the matters arising in the performance of its role under the Rules.

*Drafting Note- see rule 2.3.17 WEM Rules.*

## **Division 3— IMO and Working Groups**

### **209 Establishment of Working Groups**

The IMO may establish Working Groups to:

- (a) provide advice on specified aspects of the IMO's functions; or
- (b) undertake any other activity in relation to the IMO's functions as is specified by the IMO.

*Drafting note- see ss38 and 39 NEL.*

*See also Part 11 rule 1108 which enables the GAB or the IMO to disband a working group.*

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# **GAS INFORMATION SERVICES RULES**

## **Part 5 Rulemaking**

### **CONSULTATION DRAFT**

**October 2012**

The numbering and format of this draft are suitable for consultation purposes, and will at a later time be adjusted as necessary to conform to accepted numbering and formatting

## Part 5 Rule Change Procedure

### Division 1—General

#### 501 Rule making by the IMO

- (1) The IMO, in accordance with the GSI Act, the Gas Regulations and the Rules, may make Amending Rules for or with respect to any matter or thing referred to in the GSI Act and the Gas Regulations, after the initial Rules have been made by the Minister.
- (2) The IMO:
  - (a) is responsible for maintaining the Rules;
  - (b) is responsible for ensuring the development of amendments of, and replacements for, the Rules; and
  - (c) may make Amending Rules in accordance with this Part 5.

#### 502 Ministerial policy directions

- (1) [WEM 2.5.2] The Minister may, having regard to the GIS Objectives, give a policy direction to the IMO with respect to the development of the GBB or the GSOO.
- (2) The Minister may provide the IMO with a draft of the proposed policy direction and seek the IMO's views on it.
- (3) [WEM 2.5.3] Where a change to the Rules is needed to address a policy direction given by the Minister, the IMO must develop one or more Rule Change Proposals and progress them under this Part 5 of the Rules.

#### 503 Rulemaking test

[WEM 2.4.2] The IMO must not make Amending Rules unless it is satisfied that the Rules, as proposed to be amended or replaced, are consistent with the GIS Objectives.

#### 504 Factors for IMO consideration

[WEM 2.4.3] In deciding whether or not to make Amending Rules, the IMO must have regard to the following:

- (a) any applicable policy direction given to the IMO under rule 502;
- (b) the practicality and cost of implementing the Rule Change Proposal;
- (c) the views expressed in any submissions received by the IMO on the Rule Change Proposal,

- (d) the views expressed at any public forums or workshops held by the IMO on the Rule Change Proposal;
- (e) the views expressed by the Gas Advisory Board where it met to consider the Rule Change Proposal; and
- (f) any information that the IMO considers necessary to assess the Rule Change Proposal.

## **Division 2—Initiating changes to the Rules**

### **505 Initiating a Rule Change Proposal**

- (1) Any person (including the IMO) may make a Rule Change Proposal by completing a Rule Change Proposal Form.
- (2) A person other than the IMO who wishes to make a Rule Change Proposal must submit a completed Rule Change Proposal Form to the IMO using the contact details provided in the form.
- (3) [WEM 2.5.5]Where the IMO considers it to be necessary, it may contact a person submitting a Rule Change Proposal and request clarification of any aspect of the proposal, and any clarification received is deemed to be part of the Rule Change Proposal.
- (4) [2.5.4] Where the IMO considers that a change to the Rules is required to maintain consistency with any applicable law or regulation or the GIS Objectives, the IMO must develop an appropriate Rule Change Proposal.

### **506 Application form for Rule Change Proposal (WEM 2.4.4)**

- (1) The IMO must publish on the IMO Website a Rule Change Proposal Form.
- (2) The form must include:
  - (a) contact details for proposing Rule changes; and
  - (b) information that must be provided in a Rule Change Proposal, including:
    - (i) the name of the person submitting the Rule Change Proposal, and where relevant, details of the organisation that person represents;
    - (ii) the issue to be addressed;
    - (iii) the degree of urgency of the proposed change;
    - (iv) any proposed specific changes to particular rules;
    - (v) an explanation of how the proposed rule change would allow the Rules to better address the GIS Objectives; and
    - (vi) any identifiable costs and benefits of the change.

### **507 IMO decision to progress a Rule Change Proposal**

- (1) [WEM 2.5.6] Within five Business Days of the later of:
- (a) receiving a Rule Change Proposal; and
  - (b) any clarification under rule 505(3),
- the IMO must notify the person who submitted the Rule Change Proposal whether or not the IMO will progress the proposal any further and the reasons for the decision.
- (2) [WEM 2.5.9] The IMO may subject a Rule Change Proposal to the Fast Track Rule Change Process if, in its opinion, the proposal:
- (a) is of a minor or procedural nature; or
  - (b) is required to correct a manifest error; or
  - (c) is urgently required and is essential for the effective operation of the GBB.

### **508 Rule Change Notice**

- (1) The IMO must publish notice of a Rule Change Proposal on the IMO Website in accordance with this rule 508 (a Rule Change Notice).
- (2) A Rule Change Notice must be published:
- (a) in the case where the Rule Change Proposal has been developed by the IMO, as soon as practicable after the proposal is developed; or
  - (b) in the case where the where the Rule Change Proposal was submitted by any other person, within seven Business Days of receiving:
    - (i) the Rule Change Proposal; or
    - (ii) any information or clarification requested by the IMO under rule 505(3).
- (3) A Rule Change Notice must include:
- (a) the date that the Rule Change Proposal was submitted, if applicable;
  - (b) the name, and where relevant, the organisation, of the person who proposed the Rule Change Proposal;
  - (c) details of the Rule Change Proposal, including relevant references to provisions of the Rules and any proposed specific changes to those provisions;
  - (d) the description of how the rule change would allow the Rules to better address the GIS Objectives given by the person submitting the Rule Change Proposal; and

- (e) whether the Rule Change Proposal will be progressed and the reasons why the Rule Change Proposal will or will not be progressed.
- (4) Where a Rule Change Proposal will be progressed further, the Rule Change Notice must state whether the Rule Change Proposal is subject to the Fast Track Rule Change Process and the reasons for this decision.
- (5) Where the Rule Change Proposal will be progressed under the Fast Track Rule Change Process, the Rule Change Notice must include:
  - (a) a request for submissions and the closing date for making those submissions; and
  - (b) in the case where the Rule Change Proposal did not include proposed specific changes to provisions of the Rules, the proposed Amending Rules to implement the Rule Change Proposal.
- (6) Where a the Rule Change Proposal will be progressed under the Standard Rule Change Process, the Rule Change Notice must include a call for submissions in relation to the Rule Change Proposal and the due date for submissions, which must be at least 30 Business Days after the issue of that notice.

### **Division 3—Fast Track Rule Change Process**

#### **509 Consultation for Fast Track Rule Change Process**

- (1) Within five Business Days of publishing a Rule Change Notice, the IMO must notify those GIS Participants that it considers have an interest in the Rule Change Proposal, of its intention to consult with them concerning the Rule Change Proposal.
- (2) Within five Business Days of publishing the Rule Change Notice, an interested person may notify the IMO that they wish to be consulted in relation to the Rule Change Proposal.
- (3) Within 15 Business Days of publishing a Rule Change Notice, the IMO must have completed such consultation as the IMO considers appropriate in the circumstances with the relevant GIS Participants.

#### **510 Final Rule Change Report for Fast Track Rule Change Process**

- (1) Within 20 Business Days of publishing a Rule Change Notice for a Rule Change Proposal to be progressed under the Fast Track Rule Change Process, the IMO must prepare and publish a Final Rule Change Report.
- (2) A Final Rule Change Report must contain the reasons of the IMO as to whether or not it should make the proposed Amending Rules, having regard to:

- (a) the Rulemaking test in rule 503; and
  - (b) the factors for consideration listed in rule 504.
- (3) A Final Rule Change Report must indicate whether the IMO has decided that the Amending Rules should:
  - (a) be made in the proposed form; or
  - (b) be made in a modified form; or
  - (c) be rejected.
- (4) If the IMO decides to make Amending Rules, the Final Rule Change Report must contain:
  - (a) the Amending Rules; and
  - (b) the proposed date and time that the Amending Rules will commence.

### **Division 4—Standard Rule Change Process**

#### **511 Submissions Standard Rule Change Process**

Any person may make a submission to the IMO relating to a Rule Change Proposal under the Standard Rule Change Process within the time frame specified under the Rule Change Notice.

#### **512 Gas Advisory Board Advice**

- (1) The IMO must, within one business day after the publication of the Rule Change Notice, notify the members and observers of the Gas Advisory Board whether the IMO considers the Rule Change Proposal requires convening a meeting of the Gas Advisory Board and the reasons why.
- (2) The IMO must convene a meeting of the Gas Advisory Board concerning a Rule Change Proposal to be held before the due date for submissions:
  - (a) if the IMO considers that advice on the Rule Change Proposal is required from the Gas Advisory Board; or
  - (b) two or more members of the Gas Advisory Board have informed the IMO in writing that they consider that advice on the Rule Change Proposal is required from the Gas Advisory Board.

#### **513 Draft Rule Change Report**

- (1) Within 20 Business Days following the close of submissions as set out in the Rule Change Notice, the IMO must:
  - (a) prepare and publish on the IMO website a Draft Rule Change Report on the Rule Change Proposal; and

## Part 5

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- (b) publish a deadline for making of submissions on the Draft Rule Change Report, being at least 20 Business Days after the date of publication of the Draft Rule Change Report. [WEM 2.7.6(b)].
- (2) A Draft Rule Change Report must contain the reasons of the IMO as to whether or not it should make the proposed Amending Rules, having regard to:
  - (a) the Rulemaking test in rule 503; and
  - (b) the factors for consideration listed in rule 504.
- (3) A Draft Rule Change Report must indicate whether the IMO considers that the Amending Rules should:
  - (a) be made in the proposed form; or
  - (b) be made in a modified form; or
  - (c) be rejected.
- (4) If the IMO is considering the making of Amending Rules, the Draft Rule Change Report must contain:
  - (a) the draft Amending Rules; and
  - (b) a proposed date and time on which the draft Amending Rules would commence.

### **514 Final Rule Change Report**

- (1) Within 20 Business Days of the deadline for making submissions on the Draft Rule Change Report, the IMO must prepare and publish on the IMO Website, a Final Rule Change Report.
- (2) A Final Rule Change Report must contain the reasons of the IMO as to whether or not it should make the proposed Amending Rules, having regard to:
  - (a) the Rulemaking test in rule 503; and
  - (b) the factors for consideration listed in rule 504.
- (3) A Final Rule Change Report must indicate whether the IMO has decided that the Amending Rules should:
  - (a) be made in the proposed form; or
  - (b) be made in a modified form; or
  - (c) be rejected.
- (4) If the IMO decides to make Amending Rules, the Final Rule Change Report must contain:
  - (a) the Amending Rules; and



- (b) a proposed date and time on which the Amending Rules will commence.

### **Division 5—Submissions and public forums**

#### **515 Right to make submissions and comments**

Any person or body, within the period specified in a Rule Change Notice or a call for submissions in relation to a Draft Rule Change Report, may make a written submission or comment in relation to the Rule Change Proposal to which the call for submissions relates.

- (2) In determining whether or not to make Amending Rules, the IMO:
  - (a) must take into account all relevant and material comments that it receives by the closing date for comments; and
  - (b) may, but is not required to, take into account any comments that it receives after that date.

#### **516 IMO may publish submissions and comments unless confidential**

Subject to applicable confidentiality requirements under the GIS Laws, the IMO must publish all information submitted under this Part.

*Drafting Note—The GSI Act defines information that is ‘protected information’, and there will be a regime for dealing with confidential information in the Gas Regulations and the GIS Rules.*

#### **517 Public forums or workshops**

The IMO may (but need not) hold public forums or workshops concerning a Rule Change Proposal.

### **Division 6—Extension of Rule change timeframes**

#### **518 IMO may extend timeframes**

- (1) [WEM 2.5.10] The IMO may at any time after deciding to progress a Rule Change Proposal, by notice, extend the prescribed timeframe for a Fast Track Rule Change Process or a Standard Rule Change Process in accordance with this rule 518.
- (2) [WEM 2.5.11] If a Rule Change Proposal was subject to the Fast Track Rule Change Process, and the IMO decides to extend the timeframe, it must either:
  - (a) extend the timeframe by no more than 15 Business Days; or
  - (b) reclassify the Rule Change Proposal as not being subject to the Fast Track Rule Change Process, and must progress it in accordance with the Standard Rule Change Process.

## Part 5

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- (3) [WEM 2.5.12] The IMO must publish a notice of extension of timeframe where it has decided to extend the prescribed timeframe, and must update any information already published.
- (4) [WEM 2.5.13] A notice of extension of timeframe must include:
  - (a) reasons for the proposed extension;
  - (b) views of GIS Participants (if any) consulted on the extension;
  - (c) the proposed length of any extension; and
  - (d) the proposed work program.

## Division 7—Protected Provisions

### 519 Definitions

- (1) In this Division 7:

**modify** includes an addition, an omission or a substitution or any change that, in IMO's opinion, would have the effect of changing the meaning of a Protected Provision.

**Protected Provision Amendment** means Amending Rules included in a Final Rule Change Report, where those Amending Rules modify, whether directly or indirectly, a Protected Provision.

- (2) [WEM 2.8.13] The following rules are Protected Provisions:

*Drafting Note—Part 1 (Introduction); Part 2 (IMO functions and powers) and Part 5 (Rule changes) [Part 7 Compliance and enforcement] are likely to be Protected Provisions.*

### 520 IMO to notify Minister at start of Rule Change Process

[WEM 2.5.8] Where the IMO decides to progress a Rule Change Proposal that relates to a Protected Provision, the IMO must notify the Minister at the same time as it publishes the Rule Change Notice under rule 508.

### 521 Minister must approve changes to Protected Provisions

- (1) [WEM 2.8.3] The Minister must approve Amending Rules that modify a Protected Provision.
- (2) The IMO must, as soon as practicable after publishing a Final Rule Change Report that relates to a Protected Provision Amendment, submit to the Minister the following documents:
  - (a) the relevant Rule Change Proposal;
  - (b) the Final Rule Change Report, including the Amending Rules to be made.

- (4) [2.8.4] Subject to rule 522, the Minister must, within 20 Business Days of the submission of a Protected Provision Amendment by the IMO, decide whether the Amending Rules should be made, having regard to the GIS Objectives.
- (5) [2.8.5] For a Protected Provision Amendment, the Minister may:
- (a) approve the making of the Amending Rules;
  - (b) not approve the making of the Amending Rules; or
  - (c) send back to the IMO the proposed Amending Rules with any revisions the Minister considers are required to ensure the Rules, as amended or replaced by the proposed Amending Rules, are consistent with the GIS Objectives.

### **522 Minister may extend time to approve Protected Provision Amendment**

- (1) [WEM 2.8.6] The Minister may extend the time for a decision on a Protected Provision Amendment by a further period of up to 20 Business Days by notice to the IMO, and may do so more than once.
- (2) [WEM 2.8.7] The IMO must publish notice of any extension by the Minister on the IMO Website.

### **523 Approval of Minister may be deemed for Protected Provision Amendment**

[WEM 2.8.8] If the Minister does not make a decision under this Division 7 by the original date or by an extended date, as applicable, then the Protected Provision Amendment is taken to have been approved by the Minister.

### **524 Minister to give reasons where Protected Provision Amendment not approved**

[WEM 2.8.9] Where the Minister does not approve the proposed Amending Rules or sends proposed Amending Rules back to the IMO under rule 521(5)(c), the Minister must give reasons, and the IMO must publish a notice of the Minister's decision and the reasons given by the Minister on the IMO Website.

### **525 Consultation where Minister proposes revisions to Protected Provision Amendment**

[2.8.10] Where the Minister sends proposed Amending Rules back to the IMO with revisions in accordance with rule 521(5)(c), the IMO must:

- (a) publish the revised Amending Rules and call for submissions on the revised Amending Rules within 15 Business Days of publication; and
- (b) provide a revised Final Rule Change Report, including any submissions received on the Minister's revised Amending Rules, to the Minister within

25 Business Days after the close of submissions and this Division 7 applies to the revised Final Rule Change Report.

## **Division 8—Making and Commencement of Amending Rules**

### **526 Making of Amending Rules (NGL 313- WEM 2.8.11-12)**

Amending Rules are made:

- (a) in the case where the Final Rule Change Report does not relate to a Protected Provision Amendment, when the IMO publishes the Final Rule Change Report in relation to those Amending Rules; or
- (b) in the case where the Final Rule Change Report relates to a Protected Provision Amendment, when the Minister approves or is taken to approve, the Amending Rules under Division 7.

### **527 Operation and commencement of Amending Rules**

- (1) [WEM 2.8.12] Amending Rules commence operation on the date and time determined by the IMO.

*Note—A Final Rule Change Report includes a proposed date and time for commencement of the Amending Rules.*

- (2) The IMO must, on or before the date on which Amending Rules commence, publish on the IMO Website a notice of the commencement of the Amending Rules.
- (3) The IMO may amend a proposed date and time for commencement of Amending Rules as published in a Final Rule Change Report, provided that the amended commencement date and time is published on the IMO Website before the expiry of the time referred to in the Final Rule Change Report.

### **528 IMO to publish up to date version of Rules (NERL 264 and WEM 10.5)**

The IMO must, at all times, maintain on the IMO Website a copy of the Gas Information Services Rules, as in force from time to time.

END OF DRAFT RULE

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# **GAS INFORMATION SERVICES RULES**

## **Part 6 Procedures**

### **CONSULTATION DRAFT**

**For October 2012**

The numbering and format of this draft are suitable for consultation purposes, and will at a later time be adjusted as necessary to conform to accepted numbering and formatting

## Part 6 Procedures

### 601 IMO may make Procedures

- (1) The IMO may make procedures (Procedures) in accordance with this Part 6.
- (2) The IMO and each person to whom the Procedures are applicable must comply with those Procedures.

### 602 Matters about which Procedures may be made

- (1) Procedures may deal with any subject dealt with under the GIS Laws or the Rules.
- (2) Without limiting subrule 1, the Procedures may deal with the following matters:
  - (a) the manner in which the IMO maintains, and publishes information on, the GBB including the format of any registers or reports required or permitted by the Rules;
  - (b) the manner and form of applications to the IMO related to the GBB;
  - (c) the time, manner and form for providing the IMO with information in connection with the GBB and the collection and collation of that information;
  - (d) any terms and conditions of use of the GBB;
  - (e) restrictions on the use of the free text facility;
  - (f) the determination of any matter the IMO is required or allowed to determine under the Rules including forecasts of peak demand;
  - (g) the definition of:
    - (i) demand zones;
    - (ii) production zones;
  - (h) the meaning of symbols used for the purposes of the GBB;
  - (i) the definition of terms or the designation of status for the purposes of the rules governing the operation of the GBB;
  - (j) the estimation, calculation and recovery of operating costs;
  - (k) the IMO's monitoring processes for assessing compliance with the Rules and Procedures by GIS Participants;
  - (l) processes for GIS Participants to report alleged breaches of the Rules or Procedures;
  - (m) processes for investigations into alleged breaches of the Rules or Procedures;

- (n) guidelines for the IMO when issuing warning notices about alleged breaches of the Rules or Procedures to GIS Participants;
- (o) the procedure for dealing with Category A Rule breaches;
- (p) the procedure for bringing proceedings in respect of Category B or C Rule breaches before the Board;
- (q) any additional matters or reports that the IMO intends to include in published compliance reports; and
- (r) any matter consequential or related to any of the above.

*Drafting Note- the list of matters above list is based on the current national BB Procedures (Part 15B NGR) and is indicative only of the types of matters that may be the subject of Procedures. Not all the above matters may be relevant to the WA GBB Generally, it is expected that the bulk of the GBB provisions will be located in the Rules.*

### **603 IMO may initiate a Procedure Change Proposal**

- (1) The IMO may initiate a proposal to make a Procedure (a Procedure Change Proposal).
- (2) [WEM 2.10.2] A GIS Participant may notify the IMO where it considers a change to a Procedure would be appropriate.
- (3) [WEM 2.10.2A] Within 20 Business Days of receipt of a notification under subrule (2), the IMO must:
  - (a) determine whether a change to a Procedure is appropriate; and
  - (b) publish on the IMO Website details of whether a Procedure Change Proposal will be progressed with respect to the suggested change and the reasons for that decision.
- (4) [WEM 2.10.3] If an Amending Rule requires the IMO to make changes to Procedures, then the IMO must develop an appropriate Procedure Change Proposal consistent with the Amending Rules.

*Drafting Note- 'make' includes 'amend' –see Part 11 rule 1109 Interpretation Rules.*

### **604 Procedure Change Proposal**

A Procedure Change Proposal developed by the IMO must be published on the IMO Website and must include:

- (a) a description of the proposed Procedure (or change to a Procedure);
- (b) the reasons for the proposed Procedure (or change to a Procedure); and

- (c) a draft of the proposed Procedure (or change to a Procedure); and
- (d) a call for submissions on the Procedure Change Proposal and the due date for submissions, which must be at least 20 Business Days after the date the IMO publishes the Procedure Change Proposal on the IMO Website.

### **605 Submissions**

- (1) Any person may make a submission to the IMO in relation to a Procedure Change Proposal in the form published on the IMO Website.
- (2) In determining whether or not to make or amend Procedures under the Rules, the IMO:
  - (a) must take into account all relevant and material comments that it receives by the closing date for comments; and
  - (b) may, but is not required to, take into account any comments that it receives after that date.

### **606 Gas Advisory Board Advice**

- (1) The IMO must, within one business day after the publication of a Procedure Change Proposal, notify the members and observers of the Gas Advisory Board whether the IMO considers the Procedure Change Proposal requires convening a meeting of the Board and the reasons why.
- (2) The IMO must convene a meeting of the Gas Advisory Board concerning a Procedure Change Proposal to be held before the due date for submissions:
  - (a) if the IMO considers that advice on the Procedure Change Proposal is required from the Gas Advisory Board; or
  - (b) two or more members of the Gas Advisory Board have informed the IMO in writing that they consider that advice on the Procedure Change Proposal is required from the Gas Advisory Board.

### **607 Procedure Change Report**

- (1) Within 20 Business Days after the closing date for submissions specified in the Procedure Change Proposal, the IMO must publish a Procedure Change Report on the IMO Website.
- (2) A Procedure Change Report must contain:
  - (a) a summary of any comments received on the proposed Procedures, including advice from the Gas Advisory Board;
  - (b) the reasons of the IMO for making or not making the proposed Procedures;



- (c) if the decision is to make the proposed Procedures – the date and time on which the Procedures are to take effect;
  - (d) if the decision is not to make the proposed Procedures—the reasons for not making the Procedure; and
  - (e) the proposed Procedures and, if they have been revised in the light of the comments received, a description of how and why they have been revised.
- (3) The date for commencement of the new or amended Procedure must be determined by the IMO, having regard to the need to allow sufficient time for GIS Participants to implement any changes required.

### **608 Extension of timeframes**

- (1) The IMO may, at any time after deciding to progress a Procedure Change Proposal, by notice, extend the prescribed timeframe for making Procedures in accordance with this rule 608.
- (2) The IMO must publish a notice of extension of timeframe where it has decided to extend the prescribed timeframe, and must update any information already published.
- (3) A notice of extension of timeframe must include:
- (a) the reasons for the proposed extension;
  - (b) views of GIS Participants (if any) consulted on the extension;
  - (c) the proposed length of any extension; and
  - (d) the proposed work program.

### **609 Operation and commencement of Procedures**

- (1) A Procedure (including an amending Procedure) commences operation on the date and time specified in the Procedure Change Report published on the IMO Website.
- Note—A Procedure Change Report includes a proposed date and time for commencement of the proposed Procedure as determined by the IMO.*
- (2) Where the commencement date and time specified in the Procedure Change Report published on the IMO Website is later than the date of publishing that Procedure Change Report, the IMO must, on or before the date on which a new or amended Procedure commences, publish on the IMO Website a notice of the commencement of the new or amended Procedure.
- (3) The IMO may amend a proposed date and time for commencement of Amending Rules as published in a Final Rule Change Report, provided that the amended

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commencement date and time is published on the IMO Website before the expiry of the time referred to in the Final Rule Change Report.

END OF DRAFT RULE

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# **GAS INFORMATION SERVICES RULES**

## **Part 7 Compliance and Enforcement**

### **CONSULTATION DRAFT**

**October 2012**

The numbering and format of this draft are suitable for consultation purposes, and will at a later time be adjusted as necessary to conform to accepted numbering and formatting

## Part 7 Compliance and enforcement

### Division 1—Compliance

#### 701 Obligation of the IMO to monitor compliance

- (1) [WEM 2.13.2] The IMO must monitor compliance of GIS Participants with the requirements of the Rules and the Procedures in accordance with the GIS Laws, the Rules, and any relevant Procedures.
- (2) [WEM 2.13.3] The IMO must ensure it has processes and systems in place to allow it to monitor its own activities and those of GIS Participants for compliance with the Rules and the Procedures.

#### 702 Compliance reports

- (1) [WEM 2.13.26] The IMO must publish a report on the IMO Website at least once every six months setting out a summary for the preceding six months of:
  - (a) proceedings that have been brought before the Board;
  - (b) findings of the Board on matters referred to them;
  - (c) orders made by the Board; and
  - (d) civil penalties imposed by the IMO [under clause 2.13.16(a)], where these have not been set aside by the Board.
- (2) [WEM 2.13.28] In addition, the IMO may publish on the IMO Website other reports relating to matters under this Part in accordance with any relevant Procedures.
- (3) [WEM 2.13.30] Where information may be published under this rule 702 and a person makes a claim for confidentiality of certain information, the claim must be dealt with in accordance with the applicable confidentiality requirements under the GIS Laws and the Rules.
- (4) [WEM 2.13.31] The IMO must, and is entitled to, provide the reports referred to in this rule 702 to all GIS Participants and interested parties, subject to the applicable confidentiality requirements under the GIS Laws and the Rules.

*Drafting Note—Clauses 2.13.30 and 2.13.31 in the WEM Rules deal with treatment of confidential information. The GSI Act defines information that is ‘protected information’, and there will be a regime for dealing with confidential information in the Gas Regulations and the final GIS Rules.*

## Division 2—Enforcement

### 703 Enforcement by the IMO of breaches by GIS Participants

- (1) [WEM 2.13.4] A GIS Participant may inform the IMO in writing if it considers that it (the participant) or another GIS Participant has breached the Rules or a Procedure, and may provide evidence of that breach.
- (2) [WEM 2.13.10] If the IMO becomes aware of an alleged breach of the Rules or Procedures by a GIS Participant, then:
  - (a) it must investigate the alleged breach;
  - (b) where it reasonably believes a breach of the Rules has taken place, it may issue a warning notice to the GIS Participant to rectify the breach.
- (3) The warning notice must:
  - (a) identify the particular provisions of the Rules or Procedures that the IMO believes have been, or are being, breached;
  - (b) describe the behaviour that comprises the alleged breach;
  - (c) request an explanation; and
  - (d) request that the alleged breach be rectified and a time (which the IMO considers reasonable) by which the alleged breach should be rectified.
- (4) The IMO must keep a record of any investigation of an alleged breach and the response of the GIS Participant to any warning notice issued under subrule(2) [WEM 2.13.10(d)].
- (5) [WEM 2.13.11] If the IMO becomes aware of an alleged breach of the Rules or Procedures, then it may meet with the relevant GIS Participant on one or more occasions to discuss the alleged breach and possible actions to rectify the alleged breach.
- (6) [WEM 2.13.12] As part of an investigation into alleged breaches of the Rules or Procedures, the IMO may require information and records from GIS Participants.
- (7) [WEM 2.13.13] GIS Participants must cooperate with an investigation into an alleged breach of the Rules or Procedures, including:
  - (a) providing the IMO with any information requested relating to the alleged breach in a timely manner; and
  - (b) ensuring that any information provided is not false or misleading in a material particular.

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- (8) [WEM 2.13.14] Where a GIS Participant does not comply with subrule (7), the IMO may appoint a person to investigate the matter and provide a report or such other documentation as the IMO may require, and:
- (a) the GIS Participant must assist the person to undertake the investigation and prepare the report or other documentation; and
  - (b) the cost of the investigation and the preparation of the report or other documentation must be met by the GIS Participant unless the IMO determines otherwise.

### **704 Penalty notices for Category A Rules**

- (1) [WEM 2.13.15] Where an alleged breach relates to a Category A Rule, the IMO must make a decision as to whether a breach has occurred.
- (2) [WEM 2.13.16] The IMO may:
- (a) decide a breach has taken place in which case the IMO may issue a penalty notice in accordance with the Gas Regulations; or
  - (b) decide a breach has not taken place and notify:
    - i. the GIS Participant that is alleged to have breached the Rules; and
    - ii. where a GIS Participant notified the IMO in accordance with rule 703(1) that GIS Participant, of its decision.
- (3) [WEM 2.13.17] Where the IMO issues a penalty notice under subrule (1), the GIS Participant that received the penalty notice may seek a review of that decision by the Board in accordance with the Gas Regulations.

### **705 Proceedings for breach—Category B or C Rules**

[WEM 2.13.18] Where:

- (a) the alleged breach relates to a Category B or Category C Rule (as determined in accordance with the Gas Regulations); and
  - (b) following any investigation under rule 703 [WEM 2.13.10(b)], the IMO reasonably believes that a breach of the Rules has taken place,
- the IMO may bring proceedings before the Board.

### **706 IMO may direct a GIS Participant**

- (1) [WEM 2.13.24] The IMO may direct a GIS Participant to do or to refrain from doing any thing that the IMO thinks necessary or desirable to give effect or to assist in giving effect to any order of the Board.

- (2) [WEM 2.13.25] A GIS Participant must comply with a direction of the IMO given under subrule (1).

### **Division 3—Compliance by the IMO**

#### **707 Investigating potential breaches by the IMO**

- (1) [WEM 2.13.1] The Minister may from time to time appoint a person to be responsible for investigating alleged breaches by the IMO of the Rules (the Investigator).
- (2) [WEM 2.13.5] A GIS Participant may inform an Investigator in writing if it considers that the IMO has breached the Rules or a Procedure, and must provide evidence of that breach.
- (3) [WEM 2.13.19] Where the Investigator receives notice of an alleged breach by the IMO, the Investigator must investigate the alleged breach of the Rules or Procedures.
- (4) The Investigator may require information and records from the IMO, and the IMO must cooperate with any investigation.
- (5) [WEM 2.13.21] Following any investigation under this rule 707, where the Investigator reasonably believes a breach of the Rules or Procedures has taken place it:
- (a) may issue a warning notice to the IMO to rectify the alleged breach, and the warning must:
    - (i) identify the provisions of the Rules or Procedures that the Investigator considers have been breached;
    - (ii) describe the behaviour that comprises the alleged breach;
    - (iii) request an explanation; and
    - (iv) request that the alleged breach be rectified and a time (which the Investigator considers reasonable) by which the alleged breach should be rectified; and
  - (b) may meet with the IMO on one or more occasions to discuss the alleged breach and possible actions to rectify the alleged breach.
- (6) [WEM 2.13.22] Where the Investigator considers that the alleged breach has not been rectified within the time set out in accordance with the warning notice, the Investigator may bring proceedings before the Board.

*Drafting Note—The orders that the Board may make for a breach of the Rules or the Procedures are set out in the Gas Regulations.*

### **708 Annual compliance audit for the IMO**

- (1) [WEM 2.14.1] The IMO must appoint one or more auditors to conduct an audit at least annually, and may carry out additional audits as the IMO sees fit.
- (2) The IMO must ensure that the audit covers such matters as the IMO considers appropriate, which must include:
  - (a) the compliance of the IMO's internal procedures and business processes with the Rules;
  - (b) the IMO's compliance with the Rules and Procedures; and
  - (c) the IMO's software systems and processes for software management.
- (3) [WEM 2.14.4] The auditor must provide the IMO with a report, and the IMO must within 30 Business Days of receiving the report either:
  - (a) accept the report and any recommendations contained in it; or
  - (b) prepare a separate report setting out the matters raised in the auditor's report which the IMO accepts and those which it does not accept and the reasons for that view.
- (4) [WEM 2.14.5] The IMO must publish the auditor's report and any report prepared by the IMO under subrule (3)(b) within 30 Business Days of receiving the auditor's report.
- (5) [WEM 2.14.5A] The IMO must annually provide to the Minister a report on the IMO's compliance with the Rules and Procedures. The report must contain:
  - (a) the reports published under subrule(4); and
  - (b) the results of any investigations of the IMO's compliance with the Rules and Procedures carried out by an Investigator appointed under rule 707.

END OF DRAFT RULE

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# **GAS INFORMATION SERVICES RULES**

## **Part 10 Glossary**

## **Part 11 Interpretation**

# **CONSULTATION DRAFT**

**October 2012**

**(Draft v03 as at 04 October 2012)**

The numbering and format of this draft are suitable for consultation purposes, and will at a later time be adjusted as necessary to conform to accepted numbering and formatting

## Part 10 Glossary

*Drafting Note: The definitions in the Glossary will be further developed as the remaining Parts of the GIS Rules are developed.*

**Amending Rules** has the same meaning as clause [xx] of the Gas Regulations.

**Board** means the Electricity Review Board established under section 50 of the Energy Arbitration and Review Act 1998.

**Business Day** means a day that is not a Saturday, a Sunday, or a public holiday throughout Western Australia.

**Category A Rule** are the rules classified as Category A Rules in the Gas Regulations for the purposes of the imposition of civil penalties under the Gas Regulations.

**Category B Rule** means the rules classified as Category B Rules in the Gas Regulations for the purposes of the imposition of civil penalties under the Gas Regulations.

**Category C Rule** means the rules classified as Category C Rules in the Gas Regulations for the purposes of the imposition of civil penalties under the Gas Regulations.

**Compliance Procedure** means the procedures made under rule 708.

**Day** means a calendar day.

**Draft Rule Change Report** means a report prepared by the IMO under rule 513.

**Economic Regulation Authority** means the body established under section 4(1) of the Economic Regulation Authority Act 2003.

**Electricity Laws** means—

- (a) the Electricity Industry Act 2004;
- (b) the Electricity Industry Wholesale Electricity Market) Regulations 2004
- (c) the Electricity Industry (Independent Market Operator) Regulations 2004; and
- (d) the Wholesale Electricity Market Rules.

**ERA** means the Economic Regulation Authority.

**Fast Track Rule Change Process** is the process set out in rule 509.

**Final Rule Change Report** means:

- (a) for a Fast Track Rule Change Process, a report published by the IMO under rule 510.

## Part 10

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- (b) for a Standard Rule Change Process, a report published by the IMO under rule 514.

**Function** includes power, duty, responsibility and authority.

**Gas Bulletin Board** has the meaning given in section 4 of the Gas Services Information Act 2012.

**Gas Information Services** means the services listed in rule [xx] for the purpose determining the allowable revenue for the IMO.

**Gas Information Services Rules (Rules)** means—

- (a) the initial Gas Information Services Rules made by the Minister under clause [xx of the Gas Regulations]; and
- (b) Rules made by the IMO under these Rules, including Rules that amend or revoke—
  - (i) the initial Gas Information Services Rules; or
  - (ii) Rules made by it.

**Gas Regulations** means the Gas Services Information Regulations 2012 made under the Gas Services Information Act 2012.

**Gas Statement of Opportunities** has the meaning given in section 6 of the Gas Services Information Act 2012 and is contained in Part XX of the Rules.

**GBB** means the Gas Bulletin Board.

**GBB Website**—the separate website established for the purposes of s8 of the GIS Act.

**GIS Laws** means the GSI Act and the Gas Regulations.

**GIS Participants** [to be defined in terms of those who are required to be registered for the GBB TBA.]

**GIS Objectives** includes the objectives set out in rule 102 of the Rules and in section 6 of the GSI Act.

**GSI Act** means the Gas Services Information Act 2012.

**GSOO** means the Gas Statement of Opportunities.

**IMO** means the Independent Market Operator.

**IMO Website** means the website at [www.imowa.com.au](http://www.imowa.com.au).

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**Independent Market Operator** means the body established under the Electricity Industry (Independent Market Operator) Regulations 2004.

**Minister** means the Minister responsible for the administration of the Gas Services Information Act 2102.

**Person** includes a body politic or body corporate as well as an individual.

**Procedural Decision** has the meaning given in clause xx of the Gas Regulations.

**Procedures** means procedures made under Part 6.

**Protected Information** has the meaning given in the GSI Act.

**Protected Provision Amendment** means Amending Rules included in a Final Rule Change Report, where those Amending Rules modify, whether directly or indirectly, a Protected Provision

**Protected Provisions** are provisions of the Rules that may only be amended with the approval of the Minister.

Note—Parts 1, 2 and 5 of the Rules are protected provisions.

**Reviewable Decision** has the meaning given in clause xx of the Gas Regulations.

**Rule Change Notice** means a notice issued by the IMO in accordance with rule 508.

**Rule Change Proposal** means a proposal made in accordance with rule 505 requesting that the IMO make Amending Rules.

**Rule Change Proposal Form** means a form published by the IMO on the IMO Website for the purposes of a Rule Change Proposal—see rule 506.

**Rules** means Gas Information Services Rules.

**Standard Rule Change Process** is the process set out in rule 510.

**Western Standard Time** means Coordinated Universal Time (UTC) + 8 hours.

## Part 11 Interpretation

### Division 1—General Interpretation Matters

#### 1101 Singular includes plural

The singular includes the plural and the plural includes the singular.

#### 1102 Material that is, and is not, part of Rules

- (1) The heading to a Part, Division or Subdivision into which these Rules are divided is part of the Rules.
- (2) A Schedule to these Rules is part of these Rules.
- (3) A heading to a rule or subrule of these Rules does not form part of these Rules.
- (4) A note at the foot of a provision of these Rules does not form part of these Rules.
- (5) An example (being an example at the foot of a provision of these Rules under the heading “Example”) does not form part of these Rules.

*Drafting Note: see NGL Sch.2 cl 4*

#### 1103 Differences in drafting practice not to affect meaning

Differences of language between provisions of these Rules and:

- (a) the Gas Services Information Act 2012 and the Gas Regulations; or
- (b) the Wholesale Electricity Market Rules,

may be explicable by reference to changes of drafting practice and do not necessarily imply a change of meaning.

*Drafting Note: see NGL Sch.2 cl 3.*

#### 1104 Time of commencement of a Rule

If a Rule provides that the rule shall commence on a particular day, it commences at the beginning of that day unless the Rule provides a different time for the Rule to commence.

*Drafting Note: see NGL Sch.2 cl 40(1).*

#### 1105 Time and time limits

These Rules operate on Western Standard Time, and at all time, the times and time limits referred to in these Rules refer to Western Standard Time.

*Drafting Note: see 1.4.3 WEM*

### **Division 2—Functions and Powers**

#### **1106 Presumption of validity and power to make**

- (1) All conditions and preliminary steps required for the making of the Rules are presumed to have been satisfied and performed in the absence of evidence to the contrary.
- (2) These Rules are taken to be made under all powers under which it may be made, even though it purports to be made under a particular provision of the Gas Services Information Act 2012 and the Gas Regulations.

*Drafting Note: see NGL Sch.2 cl 22*

#### **1107 Performance of functions**

- (1) If the Rules confer a function or power on a person or body, the function may be performed, or the power may be exercised, from time to time as occasion requires.
- (2) If the Rules confer a function or power on a particular officer or the holder of a particular office, the function may be performed, or the power may be exercised, by the person for the time being occupying or acting in the office concerned.
- (3) If the Rules confer a function or power on a body (whether or not incorporated), the performance of the function, or the exercise of the power, is not affected merely because of vacancies in the membership of the body.

*Drafting Note: See NGL Sch.2 cl 19.*

#### **1108 Powers to appoint imply certain incidental powers**

- (1) If the Rules authorise or require a person or body to appoint a person to an office—
  - (a) the power may be exercised from time to time as occasion requires; and
  - (b) the power includes—
    - (i) power to remove or suspend, at any time, a person appointed to the office; and
    - (ii) power to appoint another person to act in the office if a person appointed to the office is removed or suspended; and
    - (iii) power to reinstate or reappoint a person removed or suspended; and
    - (iv) power to appoint a person to act in the office if it is vacant (whether or not the office has ever been filled); and

- (v) power to appoint a person to act in the office if the person appointed to the office is absent or is unable to discharge the functions of the office (whether because of illness or otherwise).
- (2) The power to remove or suspend a person under subrule (1)(b) may be exercised even if the Rules provides that the holder of the office to which the person was appointed is to hold office for a specified period.
- (3) The power to make an appointment under subrule (1)(b) may be exercised from time to time as occasion requires.
- (4) An appointment under subrule (1)(b) may be expressed to have effect only in the circumstances specified in the instrument of appointment.

*Drafting Note: See NGL Sch.2 cl 25.*

### **1109 Power to make instrument or decision includes power to amend or repeal**

If the Rules authorise or require the making of an instrument, decision or determination—

- (a) the power includes power to amend or repeal the instrument, decision or determination; and
- (b) the power to amend or repeal the instrument, decision or determination is exercisable in the same way, and subject to the same conditions, as the power to make the instrument, decision or determination.

*Drafting Note: see NGL Sch.2 cl 20.*

### **1110 Delegation**

- (1) If these Rules authorise a person to delegate a function or power, the person may, in accordance with this rule, delegate the power to:
  - (a) a person by name; or
  - (b) a particular officer, or the holder of a particular office, by reference to the title of the office concerned.
- (2) A delegation:
  - (a) may be general or limited, and
  - (b) may be made from time to time; and
  - (c) may be revoked, wholly or partly, by the delegator.
- (3) The delegation, or a revocation of the delegation, must be in, or evidenced by, writing signed by the delegator or if the delegator is a body corporate, by a person authorised by the body corporate for the purpose.

## Part 11

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- (4) A delegated function may be exercised only in accordance with any conditions to which the delegation is subject.
- (5) A delegate may, in the exercise of a delegated function, exercise any other function that is incidental to the delegated function.
- (6) A delegated function or power that purports to have been exercised by a delegate is taken to have been duly exercised by the delegate unless the contrary is proved.
- (7) A delegated function that is duly exercised by a delegate is taken to have been exercised by the delegator.
- (8) If, when exercised by the delegator, a function or power is, under these Rules, dependent on the delegator's opinion, belief or state of mind in relation to a matter, the function or power, when exercised by the delegate, is dependent on the delegate's opinion, belief or state of mind in relation to the matter.
- (9) If a function is delegated by or to a particular officer or the holder of a particular office:
  - (a) the delegation does not cease to have effect merely because the person who was the particular officer or the holder of the particular office when the function was delegated ceases to be that officer or the holder of that office, and
  - (b) the function or power may be exercised by the person for the time being occupying or acting in the office concerned.
- (10) A function that has been delegated may, notwithstanding the delegation, be exercised by the delegator.

*Drafting Note: See precedents: s58 WA Interpretation Act and NGL Sch.2 cl 26 and 2.1.3 WEM.*

*If a delegation clause is included in the Gas Regulations, the above rule may not be required.*

### **Division 3—Notices, publication and single documentation**

#### **1111 Giving of notice to persons**

If these Rules require or permit a notice or other document to be given to a person (whether the expression 'serve', 'give', 'deliver', 'notify' or 'send' or another expression is used) the notice or other document may be given:

- (a) to a natural person:
  - (i) by delivering it to the person personally; or



- (ii) by leaving it at, or by sending it by post, facsimile or similar facility to the last known address of the place of residence or usual place of business of the person; or
  - (iii) by sending it electronically to that person.
- (b) to a body corporate :
  - (i) by leaving it at the registered office or usual place of business of the body corporate with an officer of the body corporate; or
  - (ii) by sending it by post, facsimile or similar facility to its registered office or usual place of business; or
  - (iii) by sending it electronically to that body corporate or an officer of the body corporate.

*Drafting Note: See NGL Sch.2 cl 29.*

### **1112 Publication on websites**

- (1) For the purposes of these Rules, a decision or document or notice that is required by the Rules to be published on a website is taken to be published on the website if—
  - (a) the decision or document or notice is made accessible in full on the website; or
  - (b) notice of the making or publication of the relevant decision or document or relevant notice is made accessible on that website and the relevant decision, document or notice is made accessible separately in full on that website or in any other identified location.
- (2) The date on which the relevant decision, document or notice is published on the website is the date notified by the IMO on the website as the date of publication (being not earlier than the date on which it was first made so accessible).

*Drafting Note: See NGL Sch.2 cl 32.*

### **1113 Single documentation (NGL 68A)**

- (1) This rule applies if the IMO is authorised to prepare a document under the GIS Laws and the Rules for a purpose and is also authorised to prepare a document for the same or a similar, related or corresponding purpose under the Electricity Laws.
- (2) The IMO may satisfy the requirements of the GIS Laws and the Rules regarding the document under the GIS Laws and the Rules by preparing and making (and where relevant, publishing) a single document.

END OF DRAFT RULE

## Agenda Item 7: GIS Design Draft – Issues for Discussion

During consultation on the draft GIS design report, a range of issues were raised in relation to different aspects of the design. Two areas where significant concerns were raised about the workability of proposed GBB arrangements are the definitions of large users and pipeline segments.

The IMO welcomes the advice of GAB members on how these issues may be resolved. Further, in relation to large users, the IMO also welcomes GAB members' advice on which large users should be required to provide information and what information from large users is considered useful for publication on the GBB.

### a) LARGE USERS – DEFINITION AND INFORMATION REQUIREMENTS

Objective: the purpose of defining large user facilities is to require certain large users to be registered participants on the GBB to provide information to the GBB, to fulfil the objectives and primary purpose of the GBB set out in the Gas Services Information Act 2012.

Issue 1: how to define a large user facility. It is intended that large users be defined in a way which is roughly comparable to other facilities (production, pipeline and storage), recognising that the concept of 'name plate capacity' does not easily apply to a gas user.

In the GIS Design draft report, it was proposed that large user facilities be defined with reference to the maximum daily quantity (MDQ) of gas that may be used at the facility. This could be the MDQ based on contracted supply for the facility, or contracted capacity of the connection to the facility, however it is not clear how this can be clearly defined and applied.

Issue 2: what should the threshold be?

- Is it appropriate for the threshold to be lower than for other facilities (10TJ/day?)
- Should large users be required to register if they have more than one facility in a zone that, in aggregate, have a MDQ of 10TJ/day or more?

Issue 3: what information should be required from large users? It has been proposed that large users should provide ex-post information about gas consumption the previous gas day (published by facility type).

It has also been suggested that large users could be required to provide maintenance reports, and usage forecasts.

- What value would there be to the market in this broader information?
- Recognising that gas is an input into the business of large users (not the core business itself), what information is appropriate to require from large users?

Related comments in submissions:

Chevron	Chevron does not agree with the users' exemption from providing information comparable to that provided by gas producers. In Chevron's view there is no reason why this information should not be provided, given its potential impact on the supply/demand balance and the requirement for information of comparable impact being provided by gas producers.
Chevron	As currently proposed, users who consume less than 10TJ/d are not required to provide information. Chevron believes that this could work against the development of a more open market and, depending on the number of such users, the aggregate information from these users could be material. As such, Chevron recommends reducing the exemption level to 5TJ/d to ensure the majority of users are captured.
APPEA	Given the nature of the WA gas market, and to meet the objectives of Principle 3, the threshold for Large Users should be not less than 5TJ/day of consumption.
APPEA	Information presented through the GBB and GSOO needs to provide a sufficient level of detail of gas demand to effectively meet the GSI Act's objection of " <i>the facilitation of competition in the use of natural gas services in the State.</i> "
APPEA	APPEA supports the eight Guiding Principles, with Principle 3, in particular, being vital to ensuring that information presented in the GBB and GSOO is beneficial for all participants in the gas market and meets the stated objectives of the GSI Act.
Chevron	We encourage greater analysis for consumption, as has been undertaken to the facilities level in Table 3 (page 21) for gas producers, rather than simply an aggregated assessment of consumption as appears in Figure 2 (page 22)
APPEA	The recommendations do not present a level of detail on gas demand that adequately meets the stated intention of Principle 3.
Chevron	Large users should provide 12-month maintenance reports
APPEA	If the GIS Rules include a requirement to submit maintenance reports, this requirement should be extended to Large Users, as well as for operators.
APPEA	Consistent with recommendation 30 and to meet Principles 1, 2 and 3 of the Draft Design Report, demand capacity from registered Large Users should be required.
Verve	Verve Energy still has some concerns regarding confidentiality and the publication of commercially sensitive information. Additionally, it is proposed that large end users such as Verve Energy are required to submit metered data about its individual outlets on the DBNGP at the end of each gas day and that these will be published on the GBB. Again, this would inappropriately provide competitors with commercially sensitive information. For some delivery (outlet) points on the DBNGP, such as Cockburn PS, a large end user's gas take is determined by subtracting another shipper's private meter measurement (for example, Newgen) from the DBNGP master meter (also supplying Cockburn). Verve Energy questions whether private meters are subject to the same GBB data provision requirements.
Verve	Verve Energy questions whether there is a mismatch in the definition of name plate capacity for large user facilities and the registration requirements for large user facilities. Verve Energy notes that there may be a reasonable difference between what a facility is capable of consuming, what is contracted to be provided to a facility and what is allowed to be delivered to a facility. Verve Energy seeks clarification on this.
APPEA	The criteria for exemption used for the AEMO GBB are appropriate for the WA market. In addition recommendation 5 should include an allowance for Large User exemption, but with the proviso that if a Large User operates other facilities and their aggregate name plate capacity exceeds 5TJ/day then the request for exemption be refused.

## b) PIPELINE SEGMENTS DEFINITION

**Objective:** to define segments of a pipeline between zones in order to publish information about the capacity of the pipeline between zones. The definition is not intended to require pipeline operators to modify current practices for monitoring their pipelines.

**Note:** proposed zones are currently being defined, with reference to delivery (production) or receipt (demand) points. A zone will include, and be defined in relation to, one or more receipt and/or delivery point within a geographic area. Pipelines will therefore operate both between zones and within zones.

**Issue:** the GIS Design draft report proposed defining pipeline segments with reference to compressor stations. Market Reform has amended this recommendation to distinguish between:

- Registered pipeline segments – pipeline operators would still be required to register all pipeline segments as defined in the draft report;
- Reported pipeline segments or sequences of segments – where appropriate, the IMO would aggregate sequences of pipeline segments for the purpose of defining the segments or sequences of segments that pipeline operators are required to provide information (and the IMO to publish information) in relation to.

Assuming that there are no compressor stations within zones, does this amended recommendation overcome practical difficulties in providing capacity information about 'reported' segments?

### Related comments in submissions:

Epic Energy	Determining nameplate capacity for each of these artificial [ <i>pipeline</i> ] segments would require a more complicated calculation, based on a number of assumptions. Many of these assumptions will simply not hold true on a given day, and so the data will be essentially meaningless. Epic Energy suggests that the requirement to breakdown the pipeline into granular sections be removed.
Epic Energy	To break down gas flow data at receipt points at a pipeline segment level introduces extremely detailed pipeline flow data for no apparent benefits. It is difficult to understand how market participants could understand this level of data, or to what purpose it could be used. It will certainly introduce significant additional costs on pipeline operators. In eastern Australia the gas flow data is provided in aggregate at 'zone' or 'hub' locations that are meaningful and clear.
DBP	DBP questions whether the level of granularity required from Pipeline Operators (and associated compilation cost) is required to serve the information needs of the market at large.
DBP	The requirement to provide linepack information by pipeline, segment, defined by reference to compressor stations, is onerous and of little or no relevance to the market.



<p>APA</p>	<p>APA disagrees with the high level of granularity of information being required down to pipeline segment level due to the added complexity around calculating and publishing this level of information on a daily basis. The requirement to report capacity and line pack adequacy on a per segment basis for each pipeline will require new systems and processes to be developed specifically for the purpose of providing this information to the IMO when it will serve no useful purpose to APA as the facility operator.</p>
<p>Epic Energy</p>	<p>The granularity and breadth of the information proposed to be provided by pipeline operators not only includes categories of data that have been considered in detail in the east, and rejected on the basis that there is no reasonable justification for requiring the provision and publication of that information, but in many instances proposes requirements which go beyond those ever contemplated in the east.</p>

### 3. RECOMMENDATIONS

*It is recommended that the GAB:*

**a) Discuss** these issues and provide advice to the IMO on possible options for their resolution