



INDEPENDENT
MARKET
OPERATOR

Rule Change Notice

Submission of Medium Term Capacity Outlook (GRC_2014_02)

This notice is given under rule 132 of the Gas Services Information (GSI) Rules.

Submitter: Kate Ryan, IMO

Date Submitted: 24 February 2014

The Proposal

The IMO identified an inconsistency between the GSI Rules and the GSI Procedure for Operation of the Gas Bulletin Board and the Emergency Management Facility (GSI Procedure) with respect to the time by which Gas Market Participants must submit a Medium Term Capacity Outlook to the IMO.

Subrules 56(1), 64(1) and 71(1) require Gas Market Participants to submit a Medium Term Capacity Outlook to the IMO “by the start of each calendar month”. The IMO considers that these subrules could be interpreted to require a Medium Term Capacity Outlook to be submitted before 12:00 AM on the first day of each calendar month.

However, step 2.4.12 of the GSI Procedure states that a Medium Term Capacity Outlook must be submitted “[b]y 6PM on the last day of the calendar month M”.

The IMO proposes to amend subrules 56(1), 64(1) and 71(1) to reflect the obligations in the GSI Procedure. The IMO considers that the proposed changes will remove the current ambiguity with respect to the time by which Gas Market Participants must submit a Medium Term Capacity Outlook to the IMO.

The IMO has also taken the opportunity to correct a typographical error in subrule 130(2) of the GSI Rules.

Appendix 1 contains the Rule Change Proposal and gives complete information about:

- the proposed amendments to the GSI Rules;
- relevant references to rules of the GSI Rules and any proposed specific amendments to those rules; and
- the submitter’s description of how the proposed amendments would allow the GSI Rules



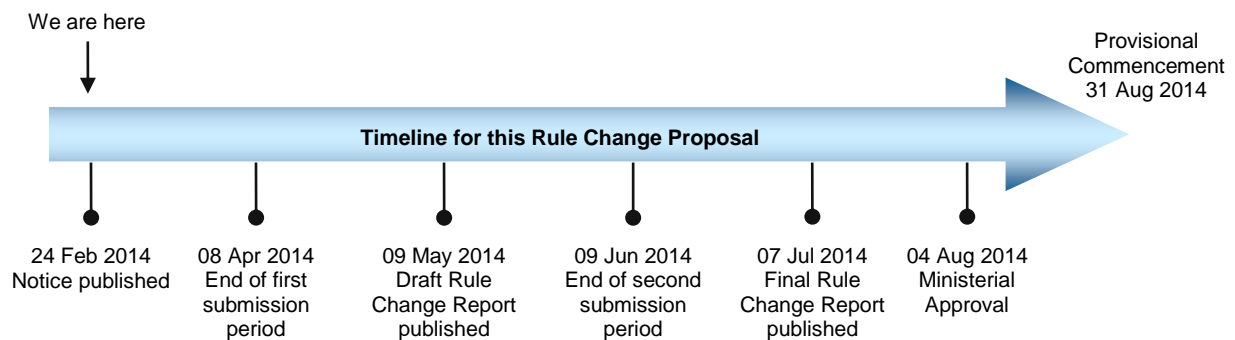
to better address the GSI Objectives.

Decision to Progress the Rule Change

The IMO has decided to progress the Rule Change Proposal on the basis that Gas Market Participants should be given an opportunity to provide submissions as part of the Standard Rule Change Process.

Timeline

The projected timelines for processing this proposal are:



Call for Submissions

The IMO invites interested stakeholders to make submissions on this Rule Change Proposal. The submission period is 30 Business Days from the Rule Change Notice publication date. Submissions must be delivered to the IMO by **5.00pm on Tuesday, 08 April 2014**.

The IMO prefers to receive submissions by email (using the submission form available on the GSI Website: <http://www.imowa.com.au/gsi-rule-changes>) to: market.development@imowa.com.au.

Submissions may also be sent to the IMO by fax or post, addressed to:

Independent Market Operator

Attn: Group Manager, Development and Capacity
PO Box 7096
Cloisters Square, PERTH, WA 6850
Fax: (08) 9254 4399



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Gas Services Information Pre Rule Change Proposal

Rule Change Proposal ID: GPRC_2014_02
Date received: TBA

Change requested by:

Name:	Kate Ryan
Phone:	9254 4357
Fax:	9254 4399
Email:	kate.ryan@imowa.com.au
Organisation:	IMO
Address:	Level 17, 197 St Georges Terrace
Date submitted:	TBA
Urgency:	Medium
Change Proposal title:	Submission of Medium Term Capacity Outlook
GSI Rule(s) affected:	Subrules 56(1), 64(1) and 71(1)

Introduction

Rule 129 of the Gas Services Information (GSI) Rules provides that any person (including the IMO) may make a Rule Change Proposal by completing a Rule Change Proposal Form that must be submitted to the IMO.

This Rule Change Proposal can be posted, faxed or emailed to:

Independent Market Operator

Attn: Group Manager, Development and Capacity
PO Box 7096
Cloisters Square, Perth, WA 6850
Fax: (08) 9254 4339
Email: market.development@imowa.com.au

The IMO will assess the proposal and, within 5 Business Days of receiving this Rule Change Proposal form, will notify you whether the Rule Change Proposal will be further progressed.



In order for the proposal to be progressed, all fields below must be completed and the change proposal must explain how it will enable the GSI Rules to better contribute to the achievement of the GSI Objectives.

The 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.

Details of the Proposed Rule Change

1. Describe the concern with the existing GSI Rules that is to be addressed by the proposed rule change:

The IMO identified an inconsistency between the GSI Rules and the Gas Services Information Procedure for Operation of the Gas Bulletin Board and the Emergency Management Facility (GSI Procedure) with respect to the time by which a Gas Market Participant must submit a Medium Term Capacity Outlook to the IMO.

Subrules 56(1), 64(1) and 71(1) require Gas Market Participants to submit a Medium Term Capacity Outlook to the IMO “by the start of each calendar month”. The IMO considers that these subrules could be interpreted to require a Medium Term Capacity Outlook to be submitted before 12:00 AM on the first day of each calendar month.

However, step 2.4.12 of the GSI Procedure states that a Medium Term Capacity Outlook must be submitted “[b]y 6PM on the last day of the calendar month M”.

This inconsistency may raise a compliance investigation, where a Medium Term Capacity Outlook is submitted after 6:00 PM, but before 12:00 AM on the last day of the calendar month.

As the GSI Rules prevail over the steps in the GSI Procedure, currently, a Gas Market Participant may submit after 6:00 PM and before 12:00 AM on the last day of the calendar month and is not in breach of the GSI Rules. However, the IMO considers that this inconsistency should be removed to ensure that the obligations on Gas Market Participants are clear.

The IMO proposes to amend subrules 56(1), 64(1) and 71(1) to reflect the obligations in the GSI Procedure. The IMO considers that this would allow Gas Market Participants an adequate timeframe in which to submit a Medium Term Capacity Outlook and that it is consistent with the intention that the operation of the Gas Bulletin Board is within business hours.

In addition, the IMO has taken the opportunity to correct a typographical error in subrule 130(2).

2. Explain the reason for the degree of urgency:

This pre Rule Change Proposal will remove the current ambiguity around the timeframes for providing a Medium Term Capacity Outlook and will improve the integrity of the GSI Rules. The IMO therefore considers that the proposed changes should be progressed as a medium priority under the Standard Rule Change Process.

3. Provide any proposed specific changes to particular GSI Rules: (for clarity, please use the current wording of the Rules and place a *strikethrough* where words are deleted and underline words added)

56(1) A Registered Pipeline Operator must submit a Medium Term Capacity Outlook to the IMO for each of its GBB Pipelines by ~~the start of each calendar month~~ 6:00 PM on the last day of each calendar month, and that outlook must cover the period of 12 months from the start of ~~that month~~ the next calendar month.

...

64(1) A Registered Storage Facility Operator must submit a Medium Term Capacity Outlook to the IMO for each of its GBB Storage Facilities by ~~the start of each calendar month~~ 6:00 PM on the last day of each calendar month, and that outlook must cover the period of 12 months from the start of ~~that month~~ the next calendar month.

...

71(1) A Registered Production Facility Operator must submit a Medium Term Capacity Outlook to the IMO for each of its GBB Production Facilities by ~~the start of each calendar month~~ 6:00 PM on the last day of each calendar month, and that outlook must cover the period of 12 months from the start of ~~that month~~ the next calendar month.

...

130(2) The form must include:
(a) contact details for proposing ~~R~~rule changes; and

...

...

4. Describe how the proposed GSI Rule change would allow the Rules to better address the GSI Objectives:

The IMO considers that the proposed changes will remove the current ambiguity with respect to the time by which a Gas Market Participant must submit a Medium Term Capacity Outlook to the IMO. In addition, the correction of the typographical error will improve the integrity of the GSI Rules.

The IMO therefore considers that the Amending Rules in this pre Rule Change Proposal better achieve GSI Objective (b) on the basis that it would be economically inefficient, from an administrative perspective, if the Gas Bulletin Board operates under GSI Rules that are ambiguous.

The proposed changes are consistent with the remaining GSI Objectives.

5. Provide any identifiable costs and benefits of the change:

Costs

It is not anticipated this change will result in any additional expenses to the IMO or Gas Market Participants.

Benefits

Improved clarity with respect to Gas Market Participants' obligations will ensure that no unnecessary compliance investigations arise because of the inconsistency.
