

GAS EARLY SETTLEMENT PAYMENT PROCEDURE

PREPARED BY: CLEARING AND PRUDENTIALS TEAM

DATE: 16 APRIL 2014

STATUS: FINAL

APPROVED BY: GROUP MANAGER SETTLEMENTS AND PRUDENTIALS

This document is current to version 18 of the National Gas Rules.



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Documents made obsolete

The release of this document changes only the version of GAS EARLY SETTLEMENT PAYMENT PROCEDURE.

Distribution

Available to the public

Further Information

For further information, please visit AEMO's website www.aemo.com.au or contact:

AEMO Help Desk

Phone: 1300 236 600 (1300 AEMO 00) and follow the prompts.

E-mail: supporthub@aemo.com.au

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Abbreviations and Symbols

These abbreviations, symbols, and special terms assist the reader's understanding of the terms used in this document. For definitions of these terms, the reader should always refer to the applicable market Rules.

Abbreviation	Term
NGR	National Gas Rules
DWGM	Declared Wholesale Gas Market
STTM	Short Term Trading Market
QLD FRC	Queensland Gas Full Retail Contestability or Queensland Retail Gas Market
GSH	Gas Supply Hub

Special terms

Term	Definition
Rules	National Gas Rules
Market time	Australian Eastern Standard Time
Payment date	The date payment is due for a final statement or a revised statement for a billing period
Settlement statement	A statement issued by AEMO in the form of a preliminary statement, final statement or revised statement
Early Payment Date	One business day prior to the scheduled settlement payment date is the early payment date

History

Version	Date	Changes	Author	Checked	Approved
1.00	21/10/2013	Initial version	K White	R Guest	C Chan
2.00	16/04/2013	Inclusion of GSH	L Chai	R Guest	C Chan

Next Review

Next Review Date	Review Type
As required	Periodic

1 Introduction

Participants registered in the Short Term Trading Market (STTM), Declared Wholesale Gas Market (DWGM), Queensland Retail Gas Market (QLD FRC) and Gas Supply Hub (GSH) must pay AEMO in cleared funds on a specified date and time. Failure to meet these payment deadlines is a breach of the National Gas Rules, Retail Market Procedures Queensland or Exchange Agreement.

- This Procedure commences on Wednesday, 16 April 2014.
- This document may be amended from time to time.

1.1 Purpose and Scope

This procedure provides participants with an option to mitigate the risks associated with a late settlement payment. Under this procedure, participants may elect to pay their final settlement amount one business day prior to the published settlement date.

1.2 Application

This Procedure applies to:

- Participants in the Declared Wholesale Gas Market, Short Term Trading Market, Queensland Retail Gas Market and Gas Supply Hub

1.3 Legal and Regulatory Framework

- National Gas Rules
- Retail Gas Market Procedures (Queensland)
- Exchange Agreement

Table 1: references

Document	Abbreviation	Reference
National Gas Rules	NGR	http://www.aemc.gov.au/Gas/National-Gas-Rules/Current-Rules.html
Retail Gas Market Procedures (Queensland)		http://www.aemo.com.au/Gas/Policies-and-Procedures/Retail-Gas-Market-Procedures
Exchange Agreement	EA	http://www.aemo.com.au/Gas/Market-Operations/Gas-Supply-Hub/Join-the-Market

Table 2: related procedures

Procedure	Title	Reference
Market Clearing	AEMO Market Clearing Procedure	http://aemo.com.au/Electricity/Policies-and-Procedures/Settlements-Procedures/AEMO-Market-Clearing-Procedure

2 Requirements

2.1 Responsibilities

Payment of gas market settlement amounts by participants to AEMO must be received as specified in Part 19 and Part 20 of the National Gas Rules (NGR), Chapter 7 of the Retail Market Procedures (Queensland) and Part 18 of Exchange Agreement. It is the responsibility of participants to ensure that all payment rule obligations are satisfied.

Short Term Trading Market (STTM) and Declared Wholesale Gas Market (DWGM) participants, as determined by the NGR, must pay settlement amounts no later than 12 noon on the 20th business day after the end of a billing period or on the 2nd business day after receiving a final statement, whichever is the later.

Queensland Retail Gas Market (QLD FRC) participants, as determined by the Retail Market Procedures Queensland, must pay settlement amounts no later than 12 noon on the 26th business day after the end of a billing period or 12 noon on the second business day after receiving a final statement, whichever is the later.

Gas Supply Hub (GSH) market participants, as determined by the Exchange Agreement, must pay settlement amounts no later than 12 noon on the 17th business day after the end of a billing period or 12 noon on the 2nd business day after a receiving a final statement, whichever is later

2.2 Notifications

AEMO must make available to participants a final statement stating the settlement amount and these statements are available via Settlements Direct. AEMO publishes a settlement calendar annually for each market containing the final statement and revision statement issue dates and final settlement dates. The calendar may be updated from time to time and the most current version of the calendar is available on the AEMO website <http://www.aemo.com.au/About-the-Industry/Resources/Settlement-Calendars>

2.3 Overview

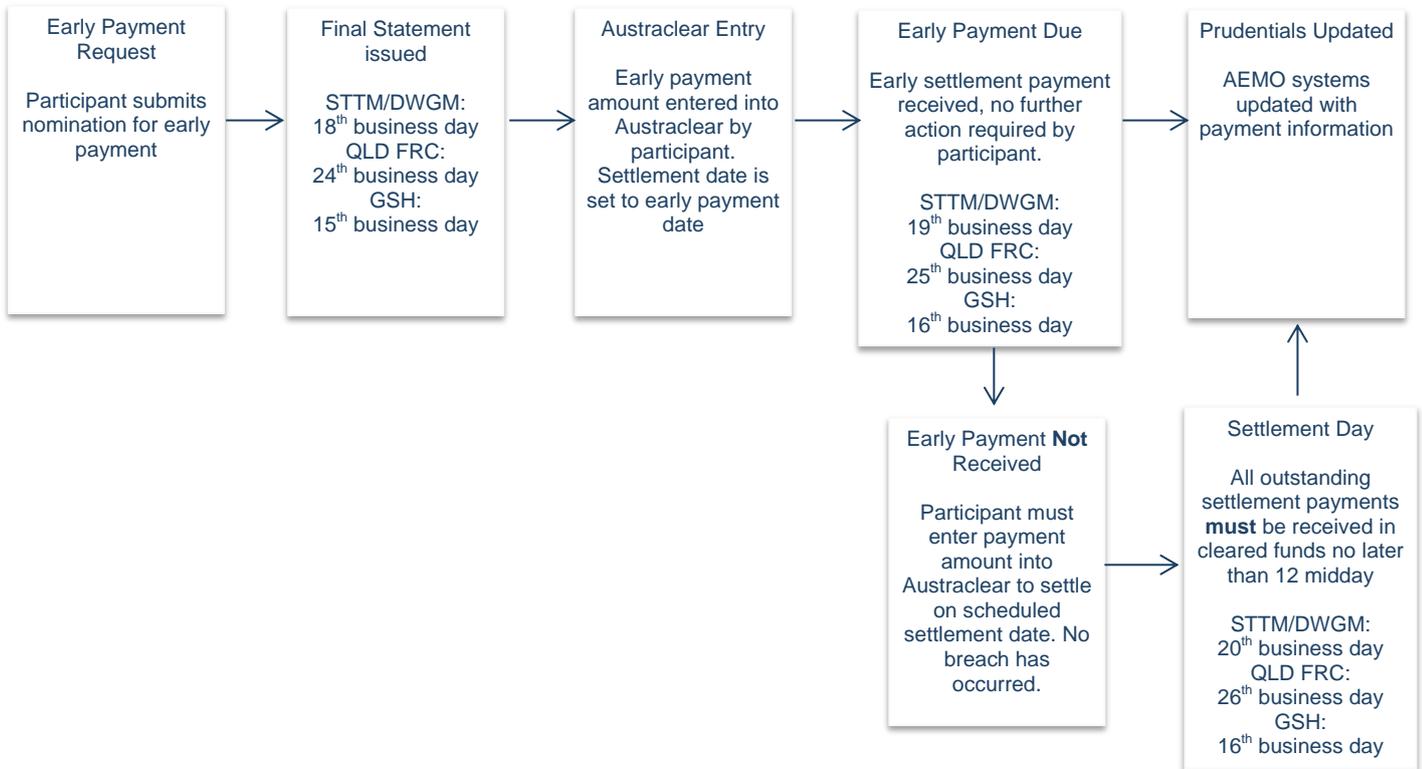


Figure 1: early payment process overview

3 Procedure

The early gas settlements payment procedure has been established to enable participants to make a payment earlier than the scheduled settlement payment date and this is called an 'early payment'. In the STTM and DWGM this is the 19th business day after the end of a billing period, in QLD FRC on the 25th business day after the end of a billing period or in GSH on the 17th business day after the end of a billing period.. Participants can request either a one-off early payment or an ongoing early payment arrangement.

3.1 Early Payment Request

Participants are requested to inform AEMO by email of their early payment nomination by completing the template in Appendix A and email to prudentials@aemo.com.au. Upon receipt of the request, AEMO will process the early payment nomination.

3.2 Payment in Austraclear

Participants must transfer all settlement amounts using Austraclear, the ASX online clearing service. Once AEMO has received a nomination for early payment from a participant, AEMO will create a cash trade transaction in Austraclear with a settlement date equal to the early payment date. The nominating participant should also create a cash trade transaction with a settlement date equal to the early payment date.

Once the amount has a status of settled in Austraclear, participant rules obligations have been satisfied and no further action is required. If the amount fails to settle before Austraclear closes, the participant has missed the early payment period and further action is required.

3.3 Missed Early Payment

If a participant fails to make an early payment, the payment will remain outstanding. This is not a default event and no action will be taken by AEMO.

Participants must enter a cash trade transaction into Austraclear with a settlement date equal to the scheduled settlement date and AEMO will do the same. Participants are required under the Rules to meet the scheduled settlement deadline of 12 midday and failure to do so is a default event.

3.4 Short Notice Early Payment

A participant may nominate to pay early at short notice by completing the template in Appendix A and emailing to prudentials@aemo.com.au. Upon receipt of the request, AEMO will process the early payment nomination. It is advised that participants also call a member of the clearing and prudentials team to ensure that the request is processed in the case of short notice.

3.5 Interest

Participants will not accrue interest on early payment amounts.

Appendix A Early Payment Advice Template

Group Manager Settlements and Prudentials,

<Name of Company> <ABN of Company> is a participant in the <Nominated Market – Short Term Trading Market / Declared Wholesale Gas Market / Queensland Retail Gas Market> and is required to settle with AEMO in accordance with the National Gas Rules.

<Name of Company> requests AEMO to allow for payments to be made early, in accordance with the Gas Early Settlement Payment Procedure.

This request is to take effect from <date after which early payment nominations can be made>

OR

This is a one-off early payment request for the <settlement month> settlement, to be settled on <date of early payment>

Regards

Name

Position Title