



Impact and Implementation

C13/04RS Deemed Injection Quantities by User

Date of Rule Change Committee Meeting: 19 August 2004



REPORT



Document Management

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Introduction

A Retail Market Rules (RMR) Rule Change Request was raised by TerraGas Trader (**proponent**) on 23 July 2004. This Rule Change Request relates to Rule 246 of the RMR, which currently requires REMCo to publish a shippers Deemed Injection Amounts to the shipper, swing service provider and the pipeline operator. The proposed change requests for this information to be allocated by user.

As required under Rule 393(b) REMCo has prepared this Impact and Implementation Report in relation to the proposed change for the consideration of the Rule Change Committee (Committee).

The Committee is requested to consider whether to:

- Reject the proposed change; or
- Accept the proposed change.

Should the Committee decide to accept the proposed change, the Committee must consider whether the proposed change is a low impact or high impact change as required under Rule 396.

Alternatively, the Committee may request REMCo to provide additional information on this matter if the Committee determines that this report does not contain sufficient information.

Summary

a) Summary of Change Requested

Rule 246 of the RMR requires REMCo to publish a shippers Deemed Injection Amounts to the shipper, swing service provider and the pipeline operator, where these amounts are aggregated for each subnetwork.

The proposed change requests for the Deemed Injection Amounts to be allocated by user. This will require an amendment to Rule 246 of the RMR, and an amendment to sections 10.9.10.2 and 10.9.10.4 of the Interface Control Document ("**ICD**").

A shipper or swing service provider could act for several users. Under the current rules, the shipper or swing service provider is unable to determine how much of its Deemed Injection Amount should be allocated to each user. Therefore, the reason for this change is to provide shippers and swing service providers with sufficient information to be able to determine how much of their Deemed Injection Amounts should be allocated to each user.



b) Original Rule Change Request

The original rule change request was raised by TerraGas Trader on 23 July 2004 by completing a Rule Change Request Form, which has been enclosed as **Attachment 1**.

Informal Feedback

To assist REMCo with the preparation of this Impact and Implementation Report, REMCo provided the proposed rule change to the market to request for any information or feedback participants may have on this proposed change. Please note that this was an informal process and not a required step of the Rule Change Process.

No comments were received for the proposed change.

Proposed Rule Drafting

a) Proposed Rule Drafting

The following changes to Rule 246(1)(b) have been proposed:

“(b) then summing all amounts allocated by user to the shipper or swing service provider (as applicable) under rule 246(1)(a).”

b) Proposed amendments to the ICD

The following changes to the ICD will be required if Rule 246(1)(b) is amended as proposed:

Deemed Injections (DI)

Data flow Definition

The data estimation entity to notify shippers and swing service providers of their deemed injections

Physical Mapping

The data for this flow must be provided in an automated electronic file.

Physical Name	Optionality
PARTICIPANT_GBO_ID	1
SUB_NETWORK_ID	1
GAS_DAY	1
<u>USER_GBO_ID</u>	<u>1</u>
DEEMED_INJECTION	1

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Event Codes

Event Code Number
There are no event codes as the flow is outgoing flow.

Example

```
PARTICIPANT_GBO_ID, SUB_NETWORK_ID, GAS_DAY, USER_GBO_ID, DEEMED_INJECTION  
SHP1, 1101, 2003-10-30, USR1, 10440  
SSP1, 1102, 2003-10-30, USR2, 14220
```

Impact of Proposed Change

a) Impact on Proponent

As the proponent is a participant, the impact on the proponent is outlined in section b) below.

b) Impact on Other Participants/Interested Parties

In the absence of feedback from participants, it is difficult to ascertain the extent to which the proposed change will have an impact on participants.

Based on the information provided by the proponent, it is anticipated that this rule change proposal will have a positive impact on shippers and swing service providers, in that it will give them sufficient information to be able to determine how much of their Deemed Injection Amounts should be allocated to each user.

REMC^o understands that the proponent currently gathers information from users to be able to determine the allocation amounts that it requires. This rule change would therefore negate the need for the proponent to gather this information from users (as the proponent will be getting this information directly from REMC^o). This could potentially have time and cost savings for those users, as they would no longer be asked to provide this information to the proponent.

c) Impact on REMC^o

There is expected to be a small impact on the GRMS that would require modification as a result of the proposed Rule change. Such system modifications would need to be reflected in the GRMS Business Specification and Interface Control Document.

As a result, REMC^o would need to manage LogicaCMG in implementing the associated system changes that would be required to implement this proposed Rule change in the GRMS.

It is also noted that, as the affected **Rule 246(1)(b)** is part of RMR Chapter 5, the proposed Rule change may require external legal review to ascertain whether there are any ACCC Authorisation implications for REMC^o.

Implementation Considerations

a) GRMS Implementation

LogicaCMG has advised, by means of a non-binding budgetary estimate, that the proposed change will involve the following activities:

- Changes to BAR Subsystem to alter deemed injection (DI) report to provide injections for each shipper and swing service provider broken down by user.
- Unit test of changed report.
- Update of internal technical documentation (this will include the Interface Control Document).
- System Test of changes.

b) Participant Implementation

It is expected that shippers and swing service providers would need to alter their systems and/or processes to be able to interpret the revised Deemed Injection file that would be sent by the GRMS if this rule change were implemented. In the absence of feedback from shippers and swing service providers, it is difficult to ascertain the extent to which participants would need to change their systems and processes.

c) REMCo Process Implementation

No process changes are required for REMCo as a result of this rule change.

d) Other Implementation Considerations

As the proposed change is to a provision of Chapter 5, REMCo will need to assess whether it impacts on the Authorisation from the ACCC. Initial consideration by REMCo suggests that the proposed change would be within the scope of the Authorisation.

No other considerations have been identified.

Cost Benefit Analysis

a) Costs

In its non-binding budgetary estimate, LogicaCMG has advised that the estimated cost of delivery of the proposed change is **\$6,000**. In providing its cost estimate, LogicaCMG has noted the following assumptions:

- That the change will be deployed to both jurisdictions.
- The same report format is sent to everyone, including pipeline operators. It will be more work to define a new report just for SHP and SSP.
- That this change will be incorporated in one of the scheduled release schedules. The estimated effort does not include the effort required to ensure that these changes are deployed in a special build. Special builds outside the normal release cycle are subject to additional costs.
- The format of existing reports will remain unchanged except for the addition of an extra column to identify the user's GBO ID, however, no effort to liaise with participants has been estimated.
- There are no aseXML changes necessary.
- Costs associated to updates of the Interface Control Document and the Business Specification have not been costed and are additional. No additional ongoing operation effort is associated to this change. The frequency of the report remains unchanged and therefore no change to the Monthly Service Fee.

It is unclear whether this rule change proposal will have cost implications for participants.

b) Benefits

This rule change will provide shippers and swing service providers with sufficient information to be able to determine how much of their Deemed Injection Amounts should be allocated to each user.

c) Analysis

It is anticipated that this rule change proposal will have a positive impact on shippers and swing service providers, in that it will give them sufficient information to be able to determine how much of their Deemed Injection Amounts should be allocated to each user.

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In addition, this proposal could potentially have time and cost savings for users, as they would no longer be asked to provide information to shippers and swing service providers to help those parties determine the allocation amounts that they require.

The financial cost associated with implementing the proposed Rule change appears relatively minor compared to the expected benefits. As a result, it is recommended that the proposed change to **Rule 246(1)(b)** should be adopted.



Recommendation

The Committee is asked to recommend this proposed amendment as a **Low Impact** Rule change for the following reasons:

- The Rule change does not appear to have a material impact on the information technology systems of REMCo, participants, pipeline operators or prescribed persons, based on information identified by REMCo to date;
- The Rule change will not materially alter consumer protection mechanisms under the rules; and
- The Rule change does not appear to have any adverse material commercial impact on REMCo, participants, pipeline operators or prescribed persons, based on information identified by REMCo to date.

If the Committee considers this proposed change to be a Low Impact change, REMCo will then prepare a Recommendation Report for submission to the next REMCo Board Meeting.

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Attachments

a) Attachment 1

Original rule change request submitted by TerraGas Trader:

RMR CHANGE REQUEST FORM

Introduction

Rule 378(1) of the Retail Market Rules (**RMR**) provides that any participant or interested party may lodge a rule change request with REMCo. Any rule change request must contain, as a minimum, the information specified by Rule 378(2). This change request form provides a template outlining the information to be provided.

If you wish to request a change to the RMR, you may do so by completing this form and submitting the completed form to REMCo at rule.change@remco.net.au. REMCo will then initiate the Rule Change process through the Rule Change Committee (**Committee**) to assess the requested change as required under Rules 391 to 402 inclusive.

Please note that if you have an issue that you do not wish to raise as a formal Rule change, you may submit the issue to the Committee for further discussion and analysis. The "Rule Change Committee Issue Form" may be used for this purpose. The form may be downloaded from the REMCo website at www.remco.net.au.

Change Requested By

Name:	Gerry Velaitis	Phone:	(08) 8372 1904
Email:	Velaitis.gerry@terragas.com.au		
Organisation:	Terra Gas trader		
GBO ID:	TGTSHPM, TGTSSPM		
Date Change Request Submitted to REMCo:	23 July 2004		
CR Title:	DI data : at User level		
Change Proposed To:	RMR rule 246, and ICD transaction "DI"		
Additional Impacts:			
Resolution:	<to be completed upon resolution of issue>		

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Details of Rule Change Requested

Provide the information on the requested rule change as required below. REMCo will assess this proposal as required under Rule 391(1) and notify you of REMCo's decision within 5 business days.

1. Provide the proposed Rule change (either as marked-up changes to the text of the rules or as a detailed summary of the proposed change to the rules) as required by Rule 378(2)(c):

Rule 246 (1) (b) to be amended as follows, noting my additional words (in my capitals) "BY USER"

"then summing all amounts allocated BY USER to the *shipper* or *swing service provider* (as applicable) under rule 246 (1) (a)."

2. Provide the reason for the proposed Rule change (as required by Rule 378(2)(b):

Current transactions under rule 246 aggregate Deemed Injections (DI) at the SubNetwork level.

A Shipper / SSP could act for several Users. Hence DI information to Shippers / SSPs should be broken down by User, at each SubNetwork concerned.

3. Provide the anticipated impact of the proposed Rule change on affected persons as required by Rule 378(2)(d):

Minor impact, adding clarity for Shippers and SSPs. The DI transaction as specified in the ICD will need to show an additional field "USER_GBO_ID" to provide the required clarity.

4. Provide the proposed timeframe for implementation of the proposed Rule change as required by Rule 378(2)(e)

Asap please

5. Provide any supporting information including any possible risks and constraints:

REMC use only

Date Received: Friday 23 July 2004

Date Response Required (date received + 5 Business days): Friday 30 July 2004

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REMCo decision:

I&I Report Due by:

Next Rule Change Committee meeting:

CRF No.: C13/04R

Registered on Rules Register: 26 July 2004