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Dear Mr Savage

**RE: NATIONAL GAS MARKET DEVELOPMENT PLAN BULLETIN BOARD  
BUSINESS AND DATA REQUIREMENTS CONSULTATION PAPER – APPEA  
COMMENTS**

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Please find following comments from the Australian Petroleum Production and Exploration Association (APPEA) on the *National Gas Market Development Plan Bulletin Board Business and Data Requirements Consultation Paper*, released in June 2007.

APPEA is the peak national body representing the collective interest of the Australian upstream oil and gas industry. APPEA member companies collectively produce around 98 per cent of Australia's oil and gas. Full details of APPEA, including a list of our member companies, can be found at [www.appea.com.au](http://www.appea.com.au). APPEA is represented on both the Gas Market Leaders Group (GMLG) and National Gas Emergency Response Advisory Committee (NGERAC).

### General Comments

APPEA notes that one of the main objectives underlying the Bulletin Board's (BB) business and data requirements is to facilitate trade in gas, an objective with which APPEA agrees. We do, however, need to be careful that the right information is gathered to meet this objective and it is provided only to those parties who are in the market to trade gas.

With that in mind, APPEA does hold a concern that provision of information to non-market participants (that is, those who might be considered an "interested party") could lead to a situation where non-market players become involved in issues, or make inquiries that have no direct benefit to the market.

APPEA also notes that capturing this information across all interconnected jurisdictions will assist NGERAC in the management of major supply emergencies. However, we believe that it is questionable whether the

APPEA is the peak national body representing the collective interest of the

information and functionality being provided will facilitate any more trade in pipeline systems than is already being facilitated through existing arrangements being provided by pipeline owners.

APPEA does have a concern that the overall benefit may be marginal when compared to current communication arrangements between system operators and regulators. Our major concern is that the increase in compliance burden associated with the provision and maintenance of this information and in particular the management of additional inquiries from "users, potential users and interested parties" who have no contractual relationship with the operator about changes in operations. There is a risk that under the current proposal, that while a large amount of information will be captured, the additional benefit to existing gas industry participants and regulators will be minimal while the only people to significantly benefit will be industry analysts and consultants.

In addition, APPEA can better visualise the direct benefits of a BB operating in the interconnected East coast markets. In WA and the NT, the benefits are unlikely at this stage to be as great due to the different market structures operating in these jurisdictions.

As a final general comment, some of the governance and assurance mechanisms attached to the BB business and data requirements are not clear. For example, who owns the data, liabilities for data errors and if amendments are made, or obligations to provide data change over time, then what process will apply to make such amendments effective.

## **Comments Related To Specific Sections of the Consultation Paper**

### 4.1 Production

APPEA notes that under the current plan only the nameplate production capacity and three day capacity outlook would need to be provided. While the proposal currently excludes the requirement to provide daily production figures, we are concerned that pressure from "potential users and interested parties" may result in this information being provided in the future, an outcome APPEA does not support. As the destination of gas is dictated by the gas customer/shipper rather than the gas seller, gas from a facility could be supplied to a number of different supply or demand hubs or even into gas storage. For facilities' that provide gas into a supply hub, daily production figures therefore provide little benefit to the market and system security as a whole and only provide "interested parties" with specific production information to which they would not otherwise have access.

### 4.5 Forecast gas demand

The current proposal to require pipeline operators forward daily aggregated nominated deliveries on their pipeline is supported as these parties receive and aggregate a shippers nomination as part of their day-to-day operations and this is the aggregate volume of gas that is either scheduled to leave or enter a hub.

Publishing the nominated deliveries aggregated for each jurisdiction is also supported. In an emergency supply event, NGERAC should have access to the specific pipeline capacity and nominated delivery information provided by the pipeline operators (and would also be in direct contact with pipeline operator) but there is no need for this information to be made available to general users. Users of a pipeline system impacted by an emergency supply event would be more likely to make contact with the pipeline operator through their normal communication channels.

#### 4.6 Capacity offers

#### 4.7 Supply offers

As mentioned previously, it is unclear whether functions of the BB proposed with respect to capacity and supply offers will offer anything more than arrangements already offered by pipeline owners. Those parties that are either already participating in the market or are serious future participants in the market will already be in contact with or have contractual arrangements with those parties that are able to offer capacity or supply.

#### 4.8 Actual demand data (Historical data)

If historical information is to be published it should only be at the level in aggregate for the hub/State and also by individual pipelines.

#### 4.9 Actual production and storage data (Historical data)

As mentioned in APPEA's comments on section 4.1 above, there appears to be little value in publishing actual production by facility. If actual production information is to be published it should be aggregated by supply hub. Again, as mentioned in APPEA's comments on section 4.1, this information is best provided by shippers as they are the parties that determine to where the net gas volumes were delivered.

#### 4.10 BB participant contact details

APPEA notes the current proposal as outlined in the consultation paper is that the contact details for all participants will be published on the BB. Care has to be taken with the arrangements for access to these contact details. If a participant provides contact details for its operations personnel for use in the event of an emergency it is important that only organisations directly involved in managing the emergency, such as NGERAC, or other interconnected operators use these contacts/numbers. The ability of indirectly-related market participants or other "interested parties" to try and make contact with operations personnel involved in managing emergencies must be avoided.

There is also the concern that publishing facility curtailment information will result in an increase in inquiries from "interested parties" to the operator seeking information about the curtailment/shut-down, when under normal circumstances only those parties with a direct contract relationship with the facility operator or regulator would be entitled to such information.

## 6. Use of Bulletin Board in emergencies

The decision to restrict the provision of information to the public during an emergency is supported. For those operators directly impacted by the emergency it may be necessary for special access to be granted so that timely communication to and from NGERAC during the emergency is facilitated using the BB. Procedures will need to be developed detailing how the BB is to be used during an emergency and that its use complements, rather than duplicates, existing communication channels.

## 7. Funding of Bulletin Board operations

APPEA accepts that individual parties would be required to meet their own costs for access to the BB or in meeting its obligations. The concept of pipeline operators recovering costs from shippers for providing aggregated data is supported rather than fees being imposed on industry participants.

## 8.5 Access to historical data

If access to historical information is made available then this information should not be freely available to the public. The cost of providing this information is being borne by the gas market participants and they should have a right to the information. If, however, this information is to be made available to parties other than contributors, then this information should be charged for and used to offset the cost of running the BB.

APPEA would welcome the opportunity to discuss these comments with you in further detail. If you wish to discuss any aspect of these comments, please do not hesitate to contact me (02) 6267 0902 or via e-mail at [ddwyer@appea.com.au](mailto:ddwyer@appea.com.au).

Yours sincerely

A handwritten signature in black ink, appearing to read "Damian Dwyer". The signature is written in a cursive style with a long, sweeping underline.

**DAMIAN DWYER**  
Director, Economic and Trade