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Dear Mr Savage

RE: Consultation — Bulletin Board Procedures

The ERAA is an independent association representing 13 retailers of electricity and gas throughout the National Electricity Market (NEM) and the jurisdictional gas markets. ERAA members collectively provide electricity and gas to the majority of customers in Eastern Australia and are the first point of contact for end use customers for both gas and electricity.

We have reviewed the Draft Bulletin Board Procedures and our comments are set out below.

1. Required signatories

Section 3.1 proposes that registration forms be executed by the “CEO or equivalent” of each eligible organisation. The ERAA regards this as excessive and recommends that this requirement be changed to “authorised signatory”.

A similar change should be made to section 4.1 which deals with signatories required for registration exemptions.

2. Schedule 2 – Demand zones

In the current definitions of demand zones in NSW and SA, it is proposed that the total load on each of the main pipelines be treated as one demand zone, while in addition a central demand zone (for Sydney and Adelaide) is proposed, which would include demand in proximity to the interconnection of the main pipelines.

This approach results in a degree of double counting, as some of the demand is included in both the pipeline demand zone and the central demand zone. It is not clear to us why this approach has been adopted.

An alternate approach would be to define the pipeline demand zones to exclude demand that is covered by the central zone. For example the SEAGas zone could be all demand served by SEAGas upstream of the Adelaide demand zone etc. This approach would appear to be more informative to users, and the ERAA suggest it be considered.

Schedule 2 – Detail on Adelaide Demand Zone

The draft procedures propose to exclude the Taparoo and Elizabeth connection points from the Adelaide demand zones. We suggest these connection points be included into the Adelaide demand zone on the basis that they are currently considered to be inputs under the REMCO market arrangement, and also that they supply the distribution network which is interconnected (although more weakly) with the SEAGas distribution delivery points.

Schedule 2 – Sydney demand zone

Subject to further advice from Alinta on the connection arrangements of the NSW distribution system, ERAA members have no concerns with the proposal to exclude Smithfield and Port Kembla from the Sydney demand zone.

Schedule 2 – Production zone definitions

It is unclear why BassGas has been included in the Gippsland Production Zone, particularly when it connects to the Principal Transmission System closer to the Dandenong LNG plant than to the Gippsland basin end of the Longford pipeline.

Consideration should be given to the inclusion of BassGas in a “Dandenong” production zone, along with the LNG facility.

BB Participant Registration Form

It is not clear if one form can be used to register an entity performing multiple functions in a number of categories (eg. Shipper, Large End User etc.), or if a separate form should be used for each category. This should be clarified, and the ERAA would prefer if a single form could be used for multiple categories.

As mentioned in above, the signatory required should be changed from CEO to be “authorised signatory”. Companies will have appropriate controls in place to ensure that a

document can only be executed by an officer authorised to bind the company — but in many cases this will not need to be the CEO.

BassGas pipeline

It is unclear why the BassGas pipeline has not been classified as a BB pipeline given that in capacity terms it exceeds the 20TJ/d limit.

Comment on Participant Build Pack

Section 4.3.7 of this document describes the format required for the posting of offers for capacity or commodity sales. This format mentions a status flag which can either be set to “O” for open, or “C” for closed.

The ERAA is not clear on the purpose of this flag. Our assumption was that if a participant wished to make an offer, this would be displayed on the BB until the participant withdrew it, after which it would no longer be listed.

The presence of this status flag seems to imply that an offer, once made, would remain on the BB permanently, but would move to a status of “C” once it was no longer available to the market.

ERAA members are not clear on the benefits of this approach, as historical offers that are no longer open could lead to confusion amongst users.

In addition the fact that the format also includes an expiry date raises further questions over the need for this field.

The ERAA looks forward to continuing its involvement in the ongoing development and implementation of the Bulletin Board. Please refer any questions to our representatives on the BB working group or alternatively give me a call on (02) 9437 6180.

Yours sincerely

[Transmitted Electronically]

Cameron O'Reilly
Executive Director
Energy Retailers Association of Australia