



# Gas Bulletin Board Final Budget and Fees: 2018-19

**May 2018**

# Executive Summary

## Introduction

AEMO operates on a cost recovery basis as a company limited by guarantee under the Corporations Act (2001). AEMO recovers all operating costs through fees paid by participants.

AEMO has a broad range of functions and each is underpinned by a fee structure developed in consultation with stakeholders and in line with the national rule requirements. The fee structures detail how AEMO will calculate fees and who will be charged. AEMO's annual budget sets out the amounts that will be charged under these fee structures.

This report provides a view of the 2018-19 gas bulletin board fees, and revenue and expenses, and estimates revenue requirement for the following four-year period.

### The key points of the 2018-19 budget are:

- A review of the structure of all gas fees has recently been completed. As a result, from 1 July 2018, GBB fees will be levied based on a new method.
- The GBB revenue requirement is proposed to increase to \$2.0m or by +40% in 2018-19 mainly to reflect improvements to the Gas Bulletin Board project. This project will enhance the breadth and accuracy of information provided to the market.
- AEMO will continue to manage our costs prudently to reduce the impact of fee increases to market participants, and we will identify further opportunities for efficiencies.

**Facilitate improved decision-making and trade in gas and pipeline capacity**

## 1.1 Contact for inquiries

### AEMO contact for inquiries

For all queries on budget and fees, please contact:

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# 2. Gas Bulletin Board (GBB)

## 2.1 Fees

Purpose of this function	<p>The Gas Bulletin Board (GBB) is a communications system that provides information relating to gas production, transmission, storage and usage for facilities that are connected to the east coast gas market.</p> <p>GBB provides market participants timely data to assist in decision making. This includes capacity outlooks, nominations and forecasts, actual flows, line pack adequacy, additional information for maintenance planning.</p>
Fees	<p>The current 2017-18 recovery costs for the GBB is \$1.4m.</p> <p>This fee is proposed to increase to \$2.0m or by +40% in 2018-19 mainly to reflect improvements to the Gas Bulletin Board project. This project will enhance the breadth and accuracy of information provided to the market.</p>
Other	<p>A review of the structure of all gas fees has recently been completed. As a result, from 1 July 2018, GBB fees will be levied as follows:</p> <ul style="list-style-type: none"> <li>50% to producers based on a flat rate (\$ per gigajoule) based on actual quantities of gas produced</li> <li>50% to participants in wholesale gas markets based on a flat rate (\$ per gigajoule) for gas withdrawn from the Victorian Declared Transmission System or the STTM hubs.</li> </ul>

**Table 1 GBB projected fees**

Fee	Budget 2018-19 (\$'000)
Producer (\$/GJ)	0.0005
Participants in Wholesale Gas Market (\$/GJ)	0.0025

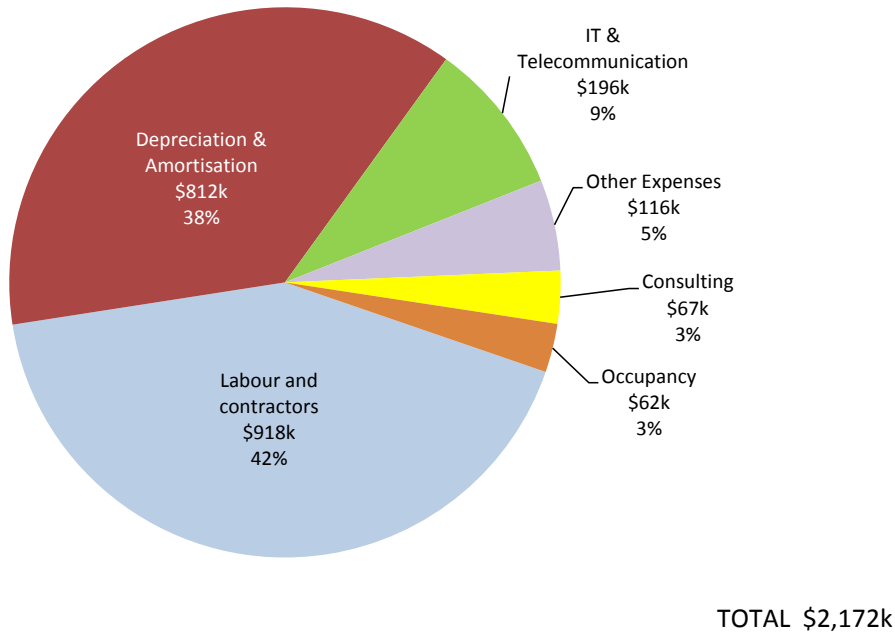
**Table 2 Projected GBB costs to be recovered**

Fee	Actual 2017-18 (\$'000)	Budget 2018-19 (\$'000)	Estimate 2019-20 (\$'000)	Estimate 2020-21 (\$'000)	Estimate 2021-22 (\$'000)	Estimate 2022-23 (\$'000)
Gas Bulletin Board	1,429	1,997	2,196	2,416	2,126	1,871
	-13%	+40%	+10%	+10%	-12%	-12%

## 2.2 Revenue and Expenditure

The expenditure is detailed below in Figure 1 by expenditure category

**Figure 1 Expenditure by category 2018-19**



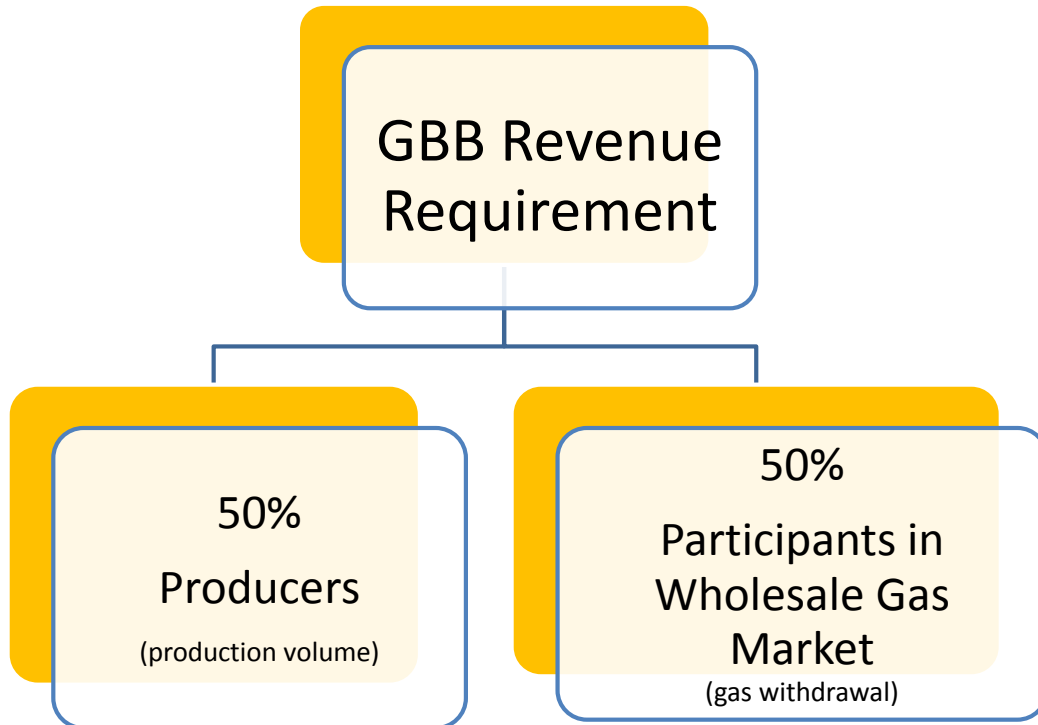
**Table 3 Profit and Loss statement 2018-19 and comparison**

	Budget	Budget	Variance	
	2017-18 \$'000	2018-19 \$'000	\$'000	%
Fees and tariffs	0	0	0	
Other Revenue	1,429	1,997	568	+40%
<b>Total Revenue</b>	<b>1,429</b>	<b>1,997</b>	<b>568</b>	<b>+40%</b>
Labour and contractors	859	918	59	+7%
Consulting	38	67	29	+77%
Fees - Agency, Licence & Audit	5	5	0	+3%
IT & Telecommunication	287	196	(91)	-32%
Occupancy	49	62	13	+26%
Insurance	18	20	3	+16%
Other Expenses	58	90	32	+56%
Depreciation & Amortisation	296	812	516	+174%
<b>Total Expenditure</b>	<b>1,610</b>	<b>2,172</b>	<b>562</b>	<b>+35%</b>
<b>Surplus/(Deficit)</b>	<b>(181)</b>	<b>(176)</b>	<b>6</b>	
Brought Forward Surplus/(Deficit)	101	45	(56)	
<b>Accumulated Surplus/(Deficit)</b>	<b>(80)</b>	<b>(130)</b>		

### Key points for 2018-19 profit and loss

Expenditure increased in 2018-19 mainly due to increase to depreciation and amortisation from the bulletin board enhancement project.

# Appendix A. GBB Fee Structure



# List of Abbreviations

Term	Definition
<b>AEMO</b>	Australian Energy Market Operator
<b>GBB</b>	Gas Bulletin Board
<b>GJ</b>	Gigajoule
<b>NA</b>	Not applicable

Note – AEMO market fees are not subject to GST starting from 1 July 2018.