

**IMPACT & IMPLEMENTATION REPORT (WA) – SUMMARY SECTION**

(For AEMO to complete and administer)

<b>Procedure Change Number</b>	IN040/16W		
Impacted jurisdiction(s)	Western Australia		
Proponent	Danny McGowan	Company	AEMO
Industry consultative forum(s) used	Procedure Change Committee (“PCC”)	Date concluded by Procedure Change Committee (“PCC”)	7/12/16
Procedure change ranking (as per Chapter 9): <ul style="list-style-type: none"> <li>▪ Non-substantial</li> <li>▪ Low impact</li> <li>▪ High impact</li> </ul>	Low Impact		
Short description of change(s)	Add further clarity to the FRC Hub Terms and Condition regarding the subscribers response time for a service interruption during non-business hours if the next day is a Saturday, Sunday or a Public Holiday.		
Procedure(s) or documentation impacted	FRC Hub Operational Terms and Conditions.		
Summary of the change(s)	<p>An amendment to the current subscriber’s response time for a service interruption during non-business hours if the next day is a Saturday, Sunday or a Public Holiday is proposed.</p> <p>Attachment A is an extract from the relevant section of the FRC Hub Operational Terms and Conditions showing the marked up change. See section 1 of this IIR for a more detailed explanation of the changes.</p> <p>This IIR has been prepared in accordance with clause 397 of the Retail Market Procedure (RMP) and is raised for consideration by gas retail market participants as a low impact procedure change. As per clause 399A (1) (a) (ii) AEMO now seeks submissions on the proposed changes which can be e-mail to <a href="mailto:pccwa@aemo.com.au">pccwa@aemo.com.au</a>.</p>		
I&IR prepared by	Danny McGowan	Approved by	Violette Mouchaileh
Date IIR published	1/02/17	Date consultation concludes	14/02/17
Contact address for written responses	GPO Box 2008, Melbourne VIC 3001		
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Other key contact information			

## IMPACT & IMPLEMENTATION REPORT (WA) – DETAILED REPORT SECTION

### CRITICAL EXAMINATION OF PROPOSAL

<p>1. Description of change(s) and reasons for change(s)</p>	<p>The proposed changes contained in this IIR were developed by AEMO and raised for discussion as a Gas Market Issue (“GMI”) at the Procedure Change Committee (PCC) meeting on 07/12/16. At that meeting, the PCC endorsed the proposed amendments as described in attachment A as a low impact procedure change and in accordance with clause 394(4) of the RMP (WA) recommends that AEMO accept the proposed changes.</p> <p><b>Reasons why the proposed changes are needed:</b></p> <p>In mid-October 2016 the APA group contacted AEMO seeking clarification on FRC Hub Operational Terms and Conditions (FRC HUB T&amp;C) in relation to Table 4 contained within the subscribers responsibilities section. Table 4, outlines the timeframes a notification must be sent in, as a result of a subscriber becoming aware of a service interruption. For Non-Business Hours (Mon-Fri) it indicates that the notification time is within 1 hour of the commencement of the next Business Day.</p> <p>An interruption that is identified at 10pm on a Friday requires a notification prior to 7am on the Monday (assuming not a public holiday) some 33 hours later, yet an interruption identified at 2am on a Saturday, requires a notification within 4hrs.</p> <p>Using the 10pm Friday example, the 33 hour lapsed time not keeping Participants informed of any subscribers service interruption, therefore a change to the FRC HUB T&amp;C is required to add clarity to the subscribers response time for a service interruption during non-business hours if the next day is a Saturday, Sunday or a Public Holiday.</p> <p><b>Description of the proposed changes:</b></p> <p>An amendment to the current subscriber’s response time for a service interruption during non-business hours if the next day is a Saturday, Sunday or a Public Holiday is proposed to resolve the response time anomaly. Attachment A is an extract from the relevant section of the FRC Hub Operational Terms and Conditions showing the marked up change.</p> <p>No changes are required to gas retail market IT systems of AEMO and market participants.</p> <p>Subject to the appropriate approval being obtained, the proposed amendments are to be published in a new version 9.0 of the FRC Hub Operational Terms and Conditions that is targeted for an effective date of 31/03/17.</p>
<p>2. Reference documentation</p> <ul style="list-style-type: none"> <li>▪ Retail Market Procedure (the “Procedures”);</li> <li>▪ AEMO Business/Information Specification Pack Reference;</li> </ul>	<p>FRC Hub Operational Terms and Conditions (Version 8.0).</p>

<p>and/or</p> <ul style="list-style-type: none"> <li>▪ Other Reference.</li> </ul>	
<p>3. The high-level details of the change(s) to the existing Procedure This includes:</p> <ul style="list-style-type: none"> <li>▪ a comparison of the existing operation of the Procedure to the proposed change to the operation of the Procedure; and</li> <li>▪ a marked up version of the proposed Procedure changes (see Attachment A)</li> </ul>	<p>As indicated in section 1, the proposed changes in this IIR is to add further clarity to the FRC Hub Operational Terms and Conditions. The precise amendments are detailed in Attachment A.</p>
<p>4. Explanation regarding the order of magnitude of the change (e.g. material, non-material or non-substantial)</p>	<p>The impact of the proposed amendments as described in this IIR are considered to be 'low impact' because the amendments:</p> <ul style="list-style-type: none"> <li>a) Do not materially impact the information technology systems of AEMO, participants, pipeline operators or prescribed persons;</li> <li>b) Do not materially alter consumer protection mechanisms under the Procedures; and</li> <li>c) Do not have a material commercial impact on AEMO, participants, pipeline operators or prescribed persons.</li> </ul>

<b>ASSESSMENT OF LIKELY EFFECT OF PROPOSAL</b>	
<p>5. Overall Industry cost/benefit analysis (tangible / intangible / risk) and/or cost estimates</p>	<p>AEMO will not incur any implementation cost or ongoing cost associated with the proposed procedure change. At the PCC held on 7/12/16 no gas retail market participants indicated incurred costs as a result of this change. AEMO considers a benefit for industry because the change will result in more clear and concise processes and procedures.</p>
<p>6. The likely effect of the change(s) on stakeholders (e.g. industry or end-users)</p>	<p>There is no impact on any Market Participants as this is a documentation change only. Should the change be approved, AEMO will update FRC Hub Operational Terms and Conditions and publish the new version on its website.</p>

7. Testing requirements	There are no testing requirements.
<p>8. Consideration of the recommended Procedure change by AEMO under Rule 399.</p> <p>AEMO must either:</p> <ul style="list-style-type: none"> <li>▪ endorse the recommended Procedure change; or</li> <li>▪ reject the recommended Procedure change</li> </ul>	<p>In accordance with clause 394(5) AEMO has considered the proposed amendment and determined to accept the PCC recommendation. In accordance with clause 396(5) AEMO agrees with the PCC assessment that this change a low impact procedure change.</p>
<p>9. Consultation forum outcomes (e.g. the conclusions made on the change(s), whether there was unanimous approval, any dissenting views)</p>	<p>At its meeting on 07/12/16, the PCC discussed the GMI developed by AEMO that outlined the proposed amendments. PCC unanimously agreed to recommend the proposed changes to AEMO as a low impact procedure change.</p>
<p>10. Authorisation review:</p> <ul style="list-style-type: none"> <li>▪ does this Procedure change impact the ACCC authorisation?</li> </ul>	<p>The Australian Competition and Consumer Commission (ACCC) granted Authorisations to REMCo to operate Chapter 5 (Allocation, Reconciliation and Swing) and Chapter 6 (Compliance and Interpretation) of the RMPs and associated ancillary deeds. The ACCC approved variations to the Authorisations to enable REMCo to transfer administration to AEMO.</p> <p>Authorisation is a process where the ACCC may grant protection from legal action for anti-competitive conduct that might otherwise breach the Competition and Consumer Act 2010 (the CCA) where there is an offsetting public benefit from the conduct.</p> <p>Changes to the RMP Chapters and ancillary deeds covered by the Authorisations must be assessed to determine whether the change impacts the Authorisation.</p> <p>Because the change relates to the FRC HUB Operational Terms and Conditions and not the Procedures, a review of the ACCC authorisation is not required.</p>

11. Should the proposed Procedure change be made, (with or without amendments)?	AEMO recommends that the proposed amendments as described in this IIR should be made without further amendments
12. If applicable, a proposed effective date for the proposed Procedure change(s) to take effect and justification for that timeline.	The proposed amendments are to be published in a new version 9.0 of the FRC Hub Operational Terms and Conditions that is targeted for an effective date of 31/03/17.

**ATTACHMENT A – DOCUMENTATION CHANGES (SEE SECTION 3)**  
**Blue represents additions Red and strikeout represents deletions – Marked up changes**

As per clause 378B(a) of the RMP, the following is the proposed procedure change and any applicable alternative amendments as marked-up changes to the text of the procedures.

~~Red strikeout~~ means delete and blue underline means insert

4.1.3 Where a *Subscriber* becomes aware of any service interruption associated with their gateway, the *Subscriber* must deliver a notice identifying the issue via the FRC relay notification facility at the earliest opportunity but at least within the timeframes set out in Table 4.

**TABLE 4**

PERIOD	RESPONSE TIME (HOURS)
Business Hours Mon -Fri (excluding Public Holidays)	1
Non-Business Hours Mon – Fri <u>(excluding Public Holidays)</u>	Within 1 hour of the commencement of the next Business Day.  <u>Exception; 4 hours if after 7pm and the next day is Saturday or a Public Holiday.</u>

Sat, Sun, (starting 0:00 Sat and finishing 7:00 am Mon) Public Holidays	4
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Business Hours are defined as 7am to 7pm Monday to Friday.

Non-Business Hours are defined as 7pm to 7am Monday to Thursday, 7pm to 11:59pm Friday.

Public Holidays include National Public Holidays and those defined in the *Public Holidays Act 1993* (Vic). (Note: this does not include Melbourne Metropolitan holidays such as Melbourne Cup Day).

*For the avoidance of doubt Business Hours refers to the business hours of the market jurisdiction in which the Subscriber is active and are the business hours specified in the market impacted by the service interruption. For example an issue in a market based on Eastern Standard Time (Vic or Qld) would precede a market based in Central Standard Time (SA).*