

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

(For AEMO to complete and administer)

<b>Procedure Change Number</b>	IN005/18W		
Impacted jurisdiction(s)	Western Australia		
Proponent	Catherine Rousch	Company	Alinta Energy
Chapter 9 Consultation process (Ordinary or Expedited)	Expedited		
Industry consultative forum(s) used	Procedure Change Committee (PCC)	Date concluded by Procedure Change Committee (PCC)	21 September 2018
Short description of change(s)	Notification of Error or Inaccuracy by Previous User.		
Procedure(s) or documentation impacted	Retail Market Procedures (WA) ver 4.0		
Summary of the change(s)	<p>Add a subclause 32(1)(c) which requires the current user to investigate and notify the outcome of a transfer error that was notified by the previous user.</p> <p>Amend clause 32(1) and 32(2) to include a time limit of 10 business days along with the requirement to complete a task as soon as practicable.</p> <p><b>Attachment A</b> contains the revised clause 32 of the RMP</p> <p>This IIR has been prepared in accordance with clause 382 of the RMP and is raised for consideration by gas retail market participants. As per clause 384 (1) (b) AEMO considers that an expedited process is applicable and seeks submissions on the proposed changes which can be e-mailed to <a href="mailto:pccwa@aemo.com.au">pccwa@aemo.com.au</a>.</p>		
I&IR prepared by	Nandu Datar	Approved by	Michelle Norris
Date IIR published	5 October 2018	Date consultation under clause 383 or 384 concludes	26 October 2018
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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><b>Reasons why the proposed changes are needed:</b></p> <p>Clause 32 of the Retail Market Procedures (RMP) (WA) outlines the process to follow when a current user becomes aware of an error or inaccuracy in standing data because of the current user lodging an incorrect transfer request with AEMO or the network operator having lodged an incorrect delivery point transaction with AEMO.</p> <p>However, recent market activity has shown that in a significant number of cases, it is the previous user who first becomes aware of the error, usually because of the incorrect customer being transferred by the current user.</p> <p>The informal process that usually follows is that the previous user contacts the current user to inform them of the possible error. Investigations by the current user are known to be slow and it can often be a month or more before the current user notifies the previous user of the outcome. This can have a significant impact on the customer, who is often left confused as to which user they are currently being supplied by and may result in the customer receiving bills from a user they have not entered into a contract with.</p> <p><b>Description of the proposed changes:</b></p> <p>Amend clause 32 of the procedures so that the current user is required to follow a formal process in the event a previous user notifies that there may be a transfer error.</p> <p>AEMO also proposes amending the clause 32 to include a time limit along with the requirement to complete the task as soon as practicable.</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; and/or</li> <li>▪ Other Reference.</li> </ul>	<p>Retail Market Procedures (WA) version 4.0</p>

<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>Add a subclause 32(1)(c) which requires the current user to investigate and notify the outcome of a transfer error that was notified by the previous user. Amend clause 32(1) and 32(2) to include a time limit of 10 business days along with the requirement to complete a task as soon as practicable.</p>
<p>4. Explanation regarding the order of magnitude of the change (e.g. material, non-material or non-substantial)</p>	<p>This initiative will require minor RMP changes. AEMO considers the order of magnitude of this change is 'non-material'.</p>

**ASSESSMENT OF LIKELY EFFECT OF PROPOSAL**

<p>5. Overall Industry cost/benefit analysis (tangible / intangible / risk) and/or cost estimates</p>	<p>This initiative requires minor RMP changes. Introduction of a formal process and time limit will ensure that potential transfer errors are investigated and resolved in a timely manner.</p>
<p>6. The likely effect of the change(s) on stakeholders (e.g. industry or end-users)</p>	<p>The users will need to implement a process to investigate and notify the outcome of a transfer error.</p>
<p>7. Testing requirements</p>	<p>Not applicable</p>

<p>8. AEMO's preliminary assessment of the proposal's compliance with clause 378 of the RMP</p>	<p><u>Ensure that the retail gas market operates and is governed in a manner that is, (i) open and competitive; (ii) efficient; and (iii) fair to participants and their customers.</u></p> <p>AEMO's view is that the proposed change will continue to promote competition, is not unreasonably costly to implement and doesn't disadvantage participants and their customers.</p> <p><u>Ensure compliance with all applicable laws.</u></p> <p>AEMO's view is that the proposed changes are consistent with the applicable laws.</p> <p><u>Ensure effective consultation occurs and gives stakeholder's opportunities to provide feedback of the proposed changes.</u></p> <p>AEMO's view is that the stakeholders have already provided feedback to the PCR and are invited to provide feedback as part of this round of consultation.</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>On 20 August 2018 AEMO published on its website a PCR that recommended minor documentation changes as described in <b>Attachment A</b>. Registered participants and interested stakeholders were invited to make submissions which closed on 21 September 2018.</p> <p>AEMO received submissions from AGL and Origin Energy proposing further amendments to clause 32. The proposal adds further clarity, and AEMO has agreed to the additional amendments. Refer to <b>Attachment B</b> for participant feedback.</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 clauses 378 to 387 inclusive are provisions that are not part of Chapters 5 or 6 of the RMPs or ancillary deeds covered by the Authorisations, a review of the ACCC Authorisations is not required.</p>

<p>11. Should the proposed Procedure change be made, (with or without amendments)?</p>	<p>AEMO recommends that the proposed procedure changes as described in this IIR should be made with the suggested amendments.</p>
<p>12. If applicable, a proposed effective date for the proposed Procedure change(s) to take effect and justification for that timeline.</p>	<p>The proposed procedure changes are to be published in a new version 5.0 of the RMP that is targeted for an effective date of late January 2018.</p>

**ATTACHMENT A – DOCUMENTATION CHANGES (SEE SECTION 3)**

All amendments to the Procedure are change marked, where underlining (blue) represents an addition, and ~~strike (red)~~ through represents a deletion.

**32. Error correction notice**

(1) If a *current user* becomes aware of an error or inaccuracy in an item of the *AEMO standing data* as the result of:

(a) lodging an incorrect *transfer request* with *AEMO*, then the *current user* must as soon as practicable and in any event within 10 business days notify the *previous user* of this fact. ~~If the *current user* does not know the identity of the *previous user* then:~~

(i) There is no clause 32(1)(a)(i)

~~(i) — the *current user* must as soon as practicable and in any event within 10 business days notify *AEMO* and request *AEMO* to notify it of the identity of the *previous user*. The *current user's* request must include the following details:~~

~~A. — the *MIRN* for the relevant *delivery point*;~~

~~B. — the *GBO* identification of the person lodging the notice;~~

~~C. — the date the *transfer request* was completed (being the *transfer day* on which the *transfer* was purported to have occurred).~~

(ii) within one *business day* of receiving a *notice* under clause 32(1)(a)(~~i~~) *AEMO* must confirm that:

A. the person lodging the notice is the *current user*;

B. the *delivery point* exists within the *AEMO Registry*; and

C. a *transfer* was completed on the day referred to in the *notice*; and

(iii) if *AEMO* is able to confirm these matters, *notify* the *current user* of the identity of the *previous user*, or

if *AEMO* is not able to confirm the matters in clause 32(1)(a)(ii), then within one *business day* of receiving a *notice* under clause 32(1)(a)(~~i~~) *AEMO* must notify the *current user*.

(iv) As soon as practicable after receiving a *notice* under clause 32(1)(a)(ii), the *current user* must *notify* the *previous user* that it has become aware of an error or inaccuracy in an item of *AEMO standing data* as a result of lodging an incorrect *transfer request*;



- (b) the *network operator* having lodged an incorrect *delivery point transaction* with *AEMO* in respect of *new connection confirmation notice* or *permanent removal confirmation notice* — the *current user* must as soon as practicable and in any event within 10 business days notify the *network operator* of this fact.
  - (c) the *previous user* notifying the *current user* of the error or inaccuracy, then the *current user* must investigate the error or inaccuracy and notify the *previous user* of the outcome as soon as practicable and in any event within 10 business days.
- (2) If a *previous user* is notified under clause 32(1)(a) or clause 32(1)(c) it may as soon as practicable and in any event within 10 business days lodge an *error correction notice* for the *delivery point* with *AEMO*.



**ATTACHMENT B – Consolidated List of Participant Feedback to Procedure Change Request**

STAKEHOLDER	CLAUSE/SECTION REF.	ISSUE/COMMENT	PROPOSED TEXT <del>RED STRIKEOUT</del> MEANS DELETE AND <u>BLUE UNDERLINE</u> MEANS INSERT	AEMO RESPONSE
AGL	32(1)(a)	<p>AGL questions whether the obligation leading into 32(1)(a)(i) is still relevant, given the recent change to incorporate the identity of the other retailer within the gas transfer transaction.</p> <p>Noting this, AGL sees no downside to leaving the clause in place.</p>	<p>(a) lodging an incorrect <i>transfer request</i> with <i>AEMO</i>, then the <i>current user</i> must as soon as practicable <u>and in any event within 10 business days</u> notify the <i>previous user</i> of this fact. <del>If the current user does not know the identity of the previous user then:</del></p> <p><del>(i) the current user must as soon as practicable and in any event within 10 business days notify AEMO and request AEMO to notify it of the identity of the previous user. The current user's request must include the following details:</del></p>	<p>AEMO acknowledges AGL's proposed change and agrees to amend the clause as it adds further clarity in view of implementation of the 'Identify Previous Retailer' initiative.</p>



STAKEHOLDER	CLAUSE/SECTION REF.	ISSUE/COMMENT	PROPOSED TEXT <del>RED STRIKEOUT</del> MEANS DELETE AND <u>BLUE UNDERLINE</u> MEANS INSERT	AEMO RESPONSE
			<p><del>A. the MIRN for the relevant delivery point;</del></p> <p><del>B. the GBO identification of the person lodging the notice;</del></p> <p><del>C. the date the transfer request was completed (being the transfer day on which the transfer was purported to have occurred).</del></p>	
AGL	32(1)(c)	<p>While AGL supports the concept of clause 3, we see there are 2 components to this review and investigation.</p> <p>The first element of determining if the transfer was incorrect and commencing action to return the customer should be completed in 10 b/days.</p> <p>However, the process of determining why the error occurred can be far</p>	<p><u>(c) the previous user notifying the current user of the error or inaccuracy, and commencing action to rectify the situation with respect to the customer as soon as practicable and in any event within 10 business days.</u></p> <p><u>(d) the current user must investigate the error or</u></p>	<p>AEMO acknowledges AGL's proposed change and agrees to amend the clause 32(1)(c) as it adds further clarity. The proposed addition of sub clause (d) relates to another GMI (IN001/18W) regarding compliance reporting and will be dealt as part of that initiative.</p>

STAKEHOLDER	CLAUSE/SECTION REF.	ISSUE/COMMENT	PROPOSED TEXT <del>RED STRIKEOUT</del> MEANS DELETE AND <u>BLUE UNDERLINE</u> MEANS INSERT	AEMO RESPONSE
		<p>more tedious and lengthy, especially as it can involve re-checking multiple communications with multiple customers and reviewing activities of multiple agents.</p> <p>AGL suggests that the clause be split.</p> <p>AGL also notes that the clause (after splitting) only requires advise to the previous user</p> <p>In light of recent discussions regarding compliance reporting, AGL suggests that there be consideration of whether the notification should be to the market operator, or whether there should be no further external requirements.</p>	<p><u>inaccuracy and notify the <i>previous user</i> of the outcome as soon as practicable.</u></p> <p><u>Or</u></p> <p><u>d) the <i>current user</i> must investigate the error or inaccuracy and notify the <i>market operator</i> of the outcome as soon as practicable.</u></p> <p><u>Or</u></p> <p><u>(d) [no clause]</u></p>	
Origin Energy	32(1)(a) Error Correction Notice	<p>The Current User can determine Previous User on a Customer Win “pending” transaction.</p> <p>Current User would not be the initiating majority due to Previous</p>	<p>(a) lodging an incorrect <i>transfer request</i> with AEMO, then the <i>current user</i> must as soon as practicable <u>and in any event within 10 business days</u> notify the <i>previous user</i> of this fact. <del>if</del></p>	AEMO acknowledges Origin Energy’s proposed change and agrees to amend the clause as it adds further clarity in view of implementation of the ‘Identify Previous Retailer’ initiative.

STAKEHOLDER	CLAUSE/SECTION REF.	ISSUE/COMMENT	PROPOSED TEXT <del>RED STRIKEOUT</del> MEANS DELETE AND <u>BLUE UNDERLINE</u> MEANS INSERT	AEMO RESPONSE
		User most likely receiving customer contact when final bills are sent.	<p><del>the current user does not know the identity of the previous user then:</del></p> <p><del>(i) the current user must as soon as practicable and in any event within 10 business days notify AEMO and request AEMO to notify it of the identity of the previous user. The</del></p> <p><del>current user's request must include the following details:</del></p> <p><del>A. the MIRN for the relevant delivery point;</del></p> <p><del>B. the GBO identification of the person lodging the notice;</del></p> <p><del>C. the date the transfer request was completed (being the transfer day on which the</del></p>	

STAKEHOLDER	CLAUSE/SECTION REF.	ISSUE/COMMENT	PROPOSED TEXT <del>RED STRIKEOUT</del> MEANS DELETE AND <u>BLUE UNDERLINE</u> MEANS INSERT	AEMO RESPONSE
Origin Energy	General	<p>Current informal process is a handshake between retailers to minimise impacts however timeliness is an issue.</p> <p>Agree with the 10 business days however it would be beneficial to have the work flow mapped out so each participant understands the process.</p>	<p><del>transfer was purported to have occurred).</del></p>	<p>AEMO acknowledges Origin Energy's suggestion and advises that this can be addressed as part of another initiative.</p>