

---

# AEMO GAS RETAIL MARKET COMPLIANCE QUARTERLY REPORT GAS RETAIL MARKET PROCEDURES

---

PREPARED BY: AEMO



# Introduction

## ROLE OF AEMO

For New South Wales (NSW) and Australian Capital Territory (ACT), South Australia (SA), Victoria (VIC) and Queensland (QLD) gas retail markets, Section 91MB(3) of the National Gas Law (NGL) requires that, if AEMO has reasonable grounds to suspect a breach of the Retail Market Procedures (Procedures), it must, after making such inquiries and investigations as it considers appropriate, make a decision as to whether the breach is a material breach. AEMO must publish that decision and its reasons. AEMO is required to assess the materiality of breaches of the Procedures and if it determines that the breach is material may direct a person suspected of a breach to take remedial action. AEMO is not required to undertake this assessment for breaches of the NGL and National Gas Rules (NGR).

For Western Australia (WA) gas retail market, Chapter 6 of the WA Retail Market Procedures deals with Compliance and Interpretation and places a number of obligations on AEMO. AEMO's role under Chapter 6 of the WA Retail Market Procedures includes:

- To create a Compliance Panel and support that panel<sup>1</sup>.
- To make determinations on whether to refer Procedure compliance and interpretation matters to the Compliance Panel.

The Compliance Panel makes all decisions under Chapter 6, except that it may delegate authority to AEMO to make determinations on whether a Procedure breach is material<sup>2</sup>.

## PURPOSE

This report includes immaterial breaches identified in the last quarter, i.e. between June and August 2019. Breaches that have a material impact on market participants, the market as a whole, or end use customers are reported separately.

For WA gas retail market, any breaches that are referred to the Economic Regulation Authority (ERA) or have material impact on any other market participants, the market as a whole, or end use customers are reported separately and are included as a line item in this report for completeness.

## VERSION CONTROL

Version	Release date	Changes
1.0	26 September 2019	Initial version

<sup>1</sup> The Compliance Panel has established the "WA Gas Retail Market Compliance Panel Guidelines" to set out its governance and administrative arrangements, as required by clause 338 of the Procedures. The WA Gas Retail Market Compliance Panel Guidelines are available on the AEMO website ([www.aemo.com.au](http://www.aemo.com.au)), and should be read in conjunction with the WA Gas Retail Market Compliance Guidelines.

<sup>2</sup> Clause 343(3) of the WA Retail Market Procedures.

## QUARTERLY REPORT – IMMATERIAL BREACHES

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
16 August 2017-29 April 2019	WA	Wesfarmers Kleenheat Gas Pty Ltd (Kleenheat)	55A, 72(1), 79(1), 166A and 349 of the WA RMP	<p><u>Description</u></p> <p>Kleenheat uses various third party channels to facilitate customer acquisition. Kleenheat has identified that its consent process with one channel partner was insufficient, and consequently has failed to obtain explicit informed consents (EICs) from the customers that signed up to Kleenheat via this channel partner.</p> <p>This has resulted in breaches of clauses 55A, 72(1), 79(1), 166A and 349 of the WA RMP by Kleenheat.</p> <p>387 customers were impacted. Kleenheat did not receive any customer complaints in relation to these breaches.</p> <p><u>Cause</u></p> <p>A recent internal audit identified that the channel partner does not have authority to act in relation to signing up customers on behalf of Kleenheat.</p> <p><u>Actions</u></p> <p>As soon as Kleenheat became aware of the breaches detailed above, it took immediate actions to investigate and resolve the issue.</p> <p>Kleenheat has ceased all customer sign ups via the channel partner until revised processes are in place. To avoid similar incidents happening in the future, Kleenheat will implement processes to ensure that all third party sign up processes and procedures are approved by Kleenheat's in house counsel and external counsel where necessary.</p>	<p>Immaterial</p> <p>On 24 June 2019, AEMO requested participants to provide their feedback on this breach by 08 July.</p> <p>AEMO received feedback from AGL confirming no comment.</p> <p>After having regard to the other matters in clause 329(1) of the WA RMP, AEMO has determined that the breach was not material and resolved. AEMO to take no further action in relation to this matter.</p>

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
31 May 2019	WA	AEMO	98(d) and 100(2) of the WA RMP	<p><u>Description</u></p> <p>On 31 May 2019, 6 transfer confirmation notification (TFR-CONF-NOTIF) transactions and 28 medium priority transaction acknowledgements breached the transaction acknowledgement time of 270 minutes for medium priority transactions by 24 minutes and between 10-12 hours respectively.</p> <p>This is a breach of clause 11(1) of the WA RMP relating to delivery times for notices, and clauses 98(d) and 100(2)(d) relating to immediately notifying the relevant parties of a pending transfer request.</p> <p>The definition of 'immediately' references clause 11(1) of the WA RMP. Clause 11(1)(a) of the WA RMP references section 2.5 of the "FRC B2M-B2B Hub System Specifications" which specifies that all medium priority transactions shall be acknowledged within 270 minutes.</p> <p><u>Cause</u></p> <p>The incident occurred as the database connection pool used by the application that processes aseXML transactions (webMethods) experienced connection pool exhaustion issues which resulted in outgoing messages not being processed.</p> <p>The cause of this incident is the same as the incident on 18 May 2019.</p> <p><u>Actions</u></p> <p>On 31 May 1.40AM AEST, AEMO restarted the webMethods application and database. Incoming and outgoing transactions were processed normally after the restart.</p>	<p>Immaterial</p> <p>On 14 June 2019, AEMO requested participants to provide their feedback on this breach by 28 June.</p> <p>AEMO received feedback from AGL confirming no comment.</p> <p>After having regard to the other matters in clause 329(1) of the WA RMP, AEMO has determined that the breach was not material and resolved. AEMO to take no further action in relation to this matter.</p>

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
				AEMO investigated the performance issue and identified a build-up of unclosed connections in the webMethods application. This was caused by a number of transactions that had not been acknowledged, and as a result the webMethods connections were not released. AEMO implemented a daily report to show participant notifications with extended response times. AEMO will use this report to monitor participant message response behaviour and determine if it is a contributory factor for this incident.	
01 June 2019	WA	AEMO	11(1), 286, 288(1), 287(1), 252(1), 299(1), 300(1), 300(2)(f), 252(1), 300(2)(a)-(e), 269(1), 296(1), 302(3), 246(1), 228(3), 300(3) and 248(1) of the WA RMP	<p><u>Description</u></p> <p>On 01 June 2019, 81 medium priority transaction acknowledgements were delivered late by up to approximately 12 hours. This is a breach of clause 11(1) of the WA RMP. Clause 11(1)(a) of the WA RMP references section 2.5 of the "FRC B2M-B2B Hub System Specifications" which specifies that all medium priority transactions shall be acknowledged within 270 minutes.</p> <p>The following WA market reports were delivered late to the participants by approximately 51 minutes and has breached the following clauses of the WA RMP:</p> <ul style="list-style-type: none"> <li>• BID-PUB reports – WA RMP clause 286</li> <li>• MCP-TANUSA reports – WA RMP clause 288(1)</li> <li>• MCP-TSS reports – WA RMP clause 287(1)</li> <li>• SHGA reports – WA RMP clause 252(2)</li> <li>• SRQ reports – WA RMP clause 299(1)</li> <li>• SS reports – WA RMP clause 300(1)</li> <li>• UETW reports – WA RMP clause 300(2)(f)</li> </ul>	<p>Immaterial</p> <p>On 14 June 2019, AEMO requested participants to provide their feedback on this breach by 28 June.</p> <p>AEMO received feedback from AGL and Alinta Energy.</p> <ul style="list-style-type: none"> <li>• AGL has no comment.</li> <li>• Alinta Energy informed AEMO that late delivery of AEMO data for gas day 31 May 2019 had a flow-on impact on the submissions of UPNA files by the required timeframe as per clause 197(2) of the WA RMP. Alinta Energy has reviewed internal processes regarding submissions</li> </ul>

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
				<ul style="list-style-type: none"> <li>UHSA reports – WA RMP clause 252(1)(c)</li> <li>USS reports – WA RMP clause 300(2)(a)</li> <li>OMP-STATUS reports – WA RMP clause 269(1)</li> <li>BID-ALLOC reports – WA RMP clause 296(1)</li> <li>DGQ reports – WA RMP clause 302(3)</li> <li>DI reports – WA RMP clause 246(1)</li> <li>INTMR reports – WA RMP clause 228(3)</li> <li>OMP-APP reports – WA RMP clause 300(3)</li> <li>UDW reports – WA RMP clause 248(1)</li> </ul> <p><u>Cause</u></p> <p>This incident was caused by the backup process scheduled for the last Friday of every month, which ran at 11PM AEST on 31 May 2019. The backup process interrupted the services running on the server causing a complete halt to the application processing on the server.</p> <p><u>Actions</u></p> <p>On 01 June 4.14PM, AEMO performed a restart of the WA gas retail market system (GRMS) application and database which resolved the issue. Services restored to normal operation after the restart. Market notifications were sent to the participants informing them of the incident and when the incident was resolved.</p> <p>AEMO investigated and determined the issue with the WA monthly backup process. A configuration change has been made to the monthly backup process to resolve this issue. AEMO has</p>	<p>when AEMO data is not available. A work instruction and training have been rolled out to the relevant operational team.</p> <p>After having regard to the other matters in clause 329(1) of the WA RMP, AEMO has determined that the breach was not material and resolved. AEMO to take no further action in relation to this matter.</p>

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
				also implemented an additional alarm to enable early detection of the absence of workflow or transaction processes running on WA GRMS.	
04 June 2019	WA	AEMO	11(1) of the WA RMP	<p><u>Description</u></p> <p>On 04 June 2019, 24 WA medium priority transaction acknowledgements breached the transaction acknowledgement time of 270 minutes for medium priority transactions by less than 30 minutes.</p> <p>This is a breach of clause 11(1) of the WA RMP. Clause 11(1)(a) of the WA RMP references section 2.5 of the "FRC B2M-B2B Hub System Specifications" which specifies that all medium priority transactions shall be acknowledged within 270 minutes.</p> <p><u>Cause</u></p> <p>The incident occurred as the database connection pool used by the application that processes aseXML transactions (webMethods) experienced connection pool exhaustion issue which resulted in outgoing messages not being processed. The major contributory factor to the connection pool exhaustion issue was participant gateway behaviour. No systematic issue in the WA gas retail market system (GRMS) was identified as a cause of this incident.</p> <p>The cause of this incident is the same as the incidents on 18 and 31 May 2019 (apparent breach notices were sent to WA participants on 28 May and 14 June respectively).</p> <p><u>Actions</u></p>	<p>Immaterial</p> <p>On 11 July 2019, AEMO requested participants to provide their feedback on this breach by 25 July.</p> <p>AEMO received feedback from AGL confirming no comment.</p> <p>After having regard to the other matters in clause 329(1) of the WA RMP, AEMO has determined that the breach was not material and resolved. AEMO to take no further action in relation to this matter.</p>

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
				<p>On 04 June, AEMO restarted the webMethods application and database. Incoming and outgoing transactions were processed normally after the restart.</p> <p>AEMO implemented a daily report to show participant notifications with extended response times to monitor participant message response behaviour on 17 June. AEMO will use this report as part of their daily application health checks.</p>	
24 June – 29 August 2019	VIC and QLD	AEMO	4.6.1 and 4.7.1 of the VIC RMP and QLD RMP	<p><u>Description</u></p> <p>Between 24 June and 29 August 2019, gas meter details were not updated in the Basic Meter Profiling (BMP) database. AEMO's BMP database is populated with details of new gas meters or gas meters following the transfer of a gas meter from the current financially responsible retailer to another financially responsible retailer. The database details are used in the allocation of gas metering data to market participants for market settlements.</p> <p>This incident affected basic meters in the VIC and QLD gas markets.</p> <ul style="list-style-type: none"> <li>• Notifications of 7,194 new gas meters were received by AEMO yet meter details were not imported in the BMP database during the impacted period. Due to this, standing and meter read data transactions for new meters were rejected by AEMO's system because the transaction details were not successfully validated against existing meter details in BMP.</li> <li>• 83,840 transfers of meters between retailers were not updated in the BMP database in the impacted period. Due to this, allocations of gas metering data to retailers</li> </ul>	<p>Immaterial</p> <p>AEMO's non-compliance with clause 4.6.1 and 4.7.1 of the VIC RMP and QLD RMP between 24 June and 29 August 2019 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <ul style="list-style-type: none"> <li>• Market participants received transaction notifications of rejected meter read data transactions and so were aware that the data was not accepted into AEMO's database.</li> <li>• The incorrect allocation of gas meter data was corrected before the revision settlements.</li> </ul>



Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
				<p>did not take into account meter transfers between retailers across the impacted period. Instead, gas metering allocations were made on the basis of the registration of meters with financially responsible retailers prior to the incident across this period. The allocation of gas metering data was resolved before the revision settlements for the billing periods.</p> <p>This is a breach of the VIC RMP and QLD RMP:</p> <ul style="list-style-type: none"> <li>• Clause 4.6.1 relating to registration of gas meters following completion of prospective transfers.</li> <li>• Clause 4.7.1 relating to registration of gas meters following completion of retrospective transfers.</li> </ul> <p><u>Cause</u></p> <p>This incident occurred due to the automated daily job that imports data into BMP (the daily BMP import job) was being halted as the maximum number of locks were exceeded by another job running simultaneously. The normal process would be for a system alert to be generated and for the halted job to be manually re-triggered at another time. However, the system alerts were disabled during a prior system maintenance activity and were not re-enabled after the completion of the system maintenance activity. Due to this, AEMO was not aware that the daily BMP import job was not running and did not re-trigger it.</p> <p><u>Actions</u></p> <p>On 29 August, AEMO re-triggered the daily BMP import job and re-enabled the system alerts. AEMO has increased the number of system locks to minimise the need for halting simultaneous jobs. A notification was sent to the market participants informing them</p>	

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
				<p>of the rejection of standing and meter read data of new gas sites.</p> <p>AEMO have identified a number of actions to avoid such reoccurrence:</p> <ul style="list-style-type: none"> <li>• Update process documentation to clarify the processes for system maintenance activities and system alerts.</li> <li>• Implement data archiving in BMP to reduce data size and improve system performance.</li> <li>• Perform daily monitoring of critical BMP jobs to build more robust process that is not solely dependent on receiving system alerts.</li> </ul>	
29 June 2019	WA	AEMO	11(1) of the WA RMP	<p><u>Description</u></p> <p>On 29 June 2019, 37 WA medium priority transaction acknowledgements breached the transaction acknowledgement time of 270 minutes for medium priority transactions by up to 4 hours and 30 minutes.</p> <p>This is a breach of clause 11(1) of the WA RMP. Clause 11(1)(a) of the WA RMP references section 2.5.5 of the “FRC B2M-B2B Hub System Specifications” which specifies that all medium priority transactions shall be acknowledged within 270 minutes.</p> <p><u>Cause</u></p> <p>The incident was caused by the backup process scheduled for the last Friday of every month, which ran at 11PM AEST on 28 June 2019. The backup process interrupted the services running on the server causing a complete halt to the application processing on the server.</p>	<p>Immaterial</p> <p>On 11 July 2019, AEMO requested participants to provide their feedback on this breach by 25 July.</p> <p>AEMO received feedback from AGL confirming no comment.</p> <p>After having regard to the other matters in clause 329(1) of the WA RMP, AEMO has determined that the breach was not material and resolved.</p> <p>AEMO to take no further action in relation to this matter.</p>

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
				<p>The cause of this incident is the same as the incident on 01 June 2019 (apparent breach notice was sent to WA participants on 14 June). On 05 June, AEMO identified a new backup process and created the new backup schedule. The old backup process was put on hold. For the backup process scheduled on 28 June, the old backup schedule was activated outside of the operational commands causing the old backup process to run impacting the WA GRMS.</p> <p><u>Actions</u></p> <p>On 29 June, AEMO restarted the webMethods application and database. Incoming and outgoing transactions were processed normally after the restart.</p> <p>AEMO has now deleted all the jobs and purged all schedules associated with the old backup process. There is only the new backup process and schedules, and so this issue should not occur for the backup process scheduled on the last Friday in July.</p>	
18 July 2019	WA	AEMO	11(1) of the WA RMP	<p><u>Description</u></p> <p>On 18 July 2019, 8 WA medium priority transaction acknowledgements breached the transaction acknowledgement time of 270 minutes for medium priority transactions by up to 2 hours and 1 minute.</p> <p>This is a breach of clause 11(1) of the WA RMP. Clause 11(1)(a) of the WA RMP references section 2.5.5 of the "FRC B2M-B2B Hub System Specifications" which specifies that all medium priority transactions shall be acknowledged within 270 minutes.</p> <p><u>Cause</u></p>	<p>Immaterial</p> <p>On 07 August 2019, AEMO requested participants to provide their feedback on this breach by 21 August.</p> <p>AEMO received feedback from AGL confirming no comment.</p> <p>After having regard to the other matters in clause 329(1) of the WA RMP, AEMO has determined that the breach was</p>

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
				<p>The incident was caused by an additional space at the end of a Participant ID in a low volume interface (LVI) business-to-business (B2B) message. This invalid LVI B2B message prevented other messages in the WA gas retail market system (GRMS) from being processed.</p> <p><u>Actions</u></p> <p>On 19 July 1.15AM AEST, AEMO changed the status of the invalid LVI B2B message from "Pending" to "On-Hold" and messages started being processed.</p> <p>AEMO has informed the participant who submitted the invalid LVI B2B message about this issue to avoid such reoccurrence in the future. AEMO included this incident in its ITDF-TWG report and raised it as an agenda item for discussion.</p>	not material and resolved. AEMO to take no further action in relation to this matter.
24 July 2019	NSW-ACT	AEMO	1.3.2 and 8.11.9 of the NSW-ACT RMP	<p><u>Description</u></p> <p>On 24 July 2019:</p> <ul style="list-style-type: none"> <li>The STTM daily distribution system allocation (DSA) for gas day 23 July was determined late by 12 minutes. This is a breach of clause 8.11.9 of the NSW-ACT RMP. Clause 8.11.9 of the NSW-ACT RMP requires AEMO to calculate the STTM DSA by 11AM AEST.</li> <li>334 medium priority transaction acknowledgements breached the transaction acknowledgement time of 270 minutes by up to 4 hours. This is a breach of clause 1.3.2 of the NSW-ACT RMP. Clause 1.3.2 of the NSW-ACT RMP references the Gas Interface Protocol and section 2.5 of the "Participant Build Pack 3 FRC B2B System</li> </ul>	<p>Immaterial</p> <p>AEMO's non-compliance with clause 1.3.2 and 8.11.9 of the NSW-ACT RMP on 24/07/2019 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>The daily DSA data was available before the daily prudential run. There was no impact on the STTM daily prudential calculations and processing.</p>

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
				<p>Specifications" specifies that all medium priority transactions shall be acknowledged within 270 minutes.</p> <p><u>Cause</u></p> <p>The cause of this incident was due to repeated crashing of a suite of security software products consuming additional resources every time it was restarted. The server stalled when all resources were consumed on the server.</p> <p><u>Actions</u></p> <p>On 24 July, AEMO rebooted the server to release the server from its stalled state and restarted the applications. The STTM daily DSA was determined and delivered to the STTM system and transactions were acknowledged after the restart.</p> <p>AEMO added an alert to notify the support staff when the suite of security software products has crashed.</p> <p>AEMO has modified the operation of the suite of security software products such that the operating system will not automatically restart when it fails. This will prevent excessive consumption of resources on the server and will allow AEMO to investigate the cause of the failure.</p>	
16 July 2019	WA	Alinta Sales Pty Ltd (Alinta Energy)	72(1) of the WA RMP	<p><u>Description</u></p> <p>Alinta Energy has lodged a MIRN discovery request for a customer prior to obtaining the customer's explicit informed consent (EIC) on 16 July 2019.</p> <p>This is a breach of clause 72(1) of the WA RMP by Alinta Energy.</p> <p>Alinta Energy believes that there was no impact on the customer or other market participants.</p>	<p>Immaterial</p> <p>On 06 August 2019, AEMO requested participants to provide their feedback on this breach by 20 August.</p> <p>AEMO received feedback from AGL confirming no comment.</p>

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
				<p><u>Cause</u></p> <p>Alinta Energy attributed this incident to human error. The staff member processing the MIRN discovery request mistakenly thought the customer had given EIC to perform the MIRN discovery request.</p> <p><u>Actions</u></p> <p>The same staff member who processed the MIRN discovery request, upon realising the error, proactively attempted to contact the customer to obtain the required EIC and notified Alinta Energy's Regulatory team concerning the error. Alinta Energy has now obtained the customer's EIC.</p>	<p>After having regard to the other matters in clause 329(1) of the WA RMP, AEMO has determined that the breach was not material and resolved. AEMO to take no further action in relation to this matter.</p>
18 August 2019	WA	AEMO	296(1), 302(3), 246(1), 228(3), 300(3) and 248(1) of the WA RMP	<p><u>Description</u></p> <p>On 18 August 2019, the following WA market reports were delivered late to the participants by approximately 1 hour and breached the following clauses of the WA RMP:</p> <ul style="list-style-type: none"> <li>• BID-ALLOC reports – WA RMP clause 296(1)</li> <li>• DGQ reports – WA RMP clause 302(3)</li> <li>• DI reports – WA RMP clause 246(1)</li> <li>• INTMR reports – WA RMP clause 228(3)</li> <li>• OMP-APP reports – WA RMP clause 300(3)</li> <li>• UDW reports – WA RMP clause 248(1)</li> </ul> <p><u>Cause</u></p>	<p>Immaterial</p> <p>On 26 August 2019, AEMO requested participants to provide their feedback on this breach by 09 September.</p> <p>AEMO received feedback from AGL confirming no comment.</p> <p>After having regard to the other matters in clause 329(1) of the WA RMP, AEMO has determined that the breach was not material and resolved. AEMO to take no further action in relation to this matter.</p>

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
				<p>This incident was caused by the calculation process taking longer to handle the UAFG substitution in WA gas retail market system (GRMS).</p> <p><u>Actions</u></p> <p>On 18 August, AEMO monitored the calculation process to ensure that the handling of the UAFG substitution and the completed. WA market reports were delivered to the participants upon completion of the calculation process.</p> <p>AEMO investigation of the incident identified a performance issue when executing a query in the UAFG substitution procedure. This issue was resolved by rebuilding the database statistics for the database table before the execution of the query.</p>	