



AEMO GAS RETAIL MARKET COMPLIANCE QUARTERLY REPORT GAS RETAIL MARKET PROCEDURES

PREPARED BY: AEMO

Introduction

ROLE OF AEMO

For New South Wales (NSW), 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 panel¹.
- 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 material².

PURPOSE

This report includes immaterial breaches identified in the last quarter, i.e. between March and May 2020. 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	16 June 2020	Initial version

¹ 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), and should be read in conjunction with the WA Gas Retail Market Compliance Guidelines.

² 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
17 July 2019	WA	Alinta Sales Pty Ltd (Alinta Energy)	72(1) of the WA RMP	<p><u>Description</u></p> <p>The negative assurance audit as per clause 350(2) of the WA RMP for calendar year 2019 revealed Alinta Energy was in breach of clause 72(1) of the WA RMP on 17 July 2019. There was one instance where a MIRN discovery request for a customer was lodged on 17 July without obtaining the customer’s explicit informed consent (EIC).</p> <p>This is a breach of clause 72(1) of the WA RMP relating to obtaining a customer’s EIC prior to lodging a MIRN discovery request with the network operator.</p> <p><u>Cause</u></p> <p>Alinta Energy attributed this incident to human error, where a staff member had not recognised the correct procedure to apply in unusual circumstances.</p> <p><u>Actions</u></p> <p>Alinta Energy has subsequently reinforced staff member awareness of the correct procedures for obtaining EIC in these circumstances.</p>	<p>Immaterial</p> <p>On 06 April 2020, AEMO requested participants to provide their feedback on this breach by 20 April.</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>
01 January – 26 February 2019	WA	Alinta Sales Pty Ltd (Alinta Energy)	349 of the WA RMP	<p><u>Description</u></p> <p>The negative assurance audit as per clause 350(2) of the WA RMP for calendar year 2019 revealed Alinta Energy was in breach of clause 349 between 01 January and 26 February 2019. Alinta Energy’s online customer sign up process includes acknowledgement by a customer that explicit informed consent</p>	<p>Immaterial</p> <p>On 06 April 2020, AEMO requested participants to provide their feedback on this breach by 20 April.</p>

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				<p>(EIC) has been provided prior to the application form being submitted. However, until 26 February 2019, the summary email generated by Alinta Energy's system as the record of the transfer request did not include a record of confirmation that the EIC had been provided by the customer. As a result, for customers signed up via its online application form during the period 01 January to 26 February, Alinta Energy did not create a record of each EIC received in a form readily capable of examination.</p> <p>This is a breach of clause 349 of the WA RMP relating to requirements for EIC.</p> <p>Alinta Energy believes that there was no adverse impact on other market participants or customers.</p> <p><u>Cause</u></p> <p>Alinta Energy attributed this incident to a system issue that the summary email generated by Alinta Energy's system as the record of the transfer request did not include a record of confirmation that the EIC had been provided by the customer.</p> <p><u>Actions</u></p> <p>After 26 February, the summary email generated included a record of the EIC in a form that could be readily capable of examination.</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>
November 2019 – February 2020	WA	AGL Sales Pty Ltd (AGL)	79 of the WA RMP	<p><u>Description</u></p> <p>A site was incorrectly transferred to AGL as a result of a back-end agent's error. AGL generated a quote for a product and on-sent it to the customer's postal address, as requested. The back-end agent reviewed the quote incorrectly and raised an in-situ</p>	<p>Immaterial</p> <p>On 30 March 2020, AEMO requested participants to provide their feedback on this breach by 13 April.</p>

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				<p>transfer request without obtaining the customer’s explicit informed consent to the transfer.</p> <p>The in-situ transfer request completed and AGL became the financially responsible retailer for this site. Upon identification of the error on 05 February 2020, the transfer was immediately cancelled and the site returned to the original retailer as of the date it was won in error.</p> <p>The impact to the customer was low and the instance was resolved by AGL in a timely manner. AGL does not believe that any other retailers were affected as a result of the transfer in error, as the site was retrospectively returned to the original retailer.</p> <p>This is a non-compliance with clause 79 of the WA RMP relating to explicit informed consent.</p> <p><u>Cause</u></p> <p>This incident was caused by human error.</p> <p><u>Actions</u></p> <p>When the error was identified, AGL immediately acted and returned the site to its original retailer from the date the customer was won in error.</p> <p>AGL will ensure regular compliance knowledge refreshers are provided to relevant AGL agents. Also, AGL will continue to review and monitor its processes to ensure the supporting documentation is up-to-date, relevant and accurate.</p>	<p>AEMO did not receive feedback from participants.</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
03 – 05 March and 06 – 08 April 2020	WA	APT Facility Management Pty Ltd (APTFM)	181 of the WA RMP	<p><u>Description</u></p> <p>High swing service volumes were detected for gas days 03 to 05 March 2020 on the North metro (1106) and South metro (1107) sub-networks and for gas days 06 to 08 April on 1106. AEMO investigated this matter and found that APTFM’s user’s pipeline nomination amount (UPNA) did not match with their user allocation instruction (UAI) for the Parmelia (P) pipeline for gas days 03 to 05 March and 06 to 08 April. This contributed to the swing service of:</p> <ul style="list-style-type: none"> • 775 GJ on 1106 and 675 GJ on 1107 for gas day 03 March • 774 GJ on 1106 and 675 GJ on 1107 for gas day 04 March • 782 GJ on 1106 and 675 GJ on 1107 for gas day 05 March • 775 GJ on 1106 for gas days 06 to 08 April <p>This is a breach of clause 181 of the WA RMP relating to a user minimising its contribution to swing service.</p> <p><u>Cause</u></p> <p>APTFM investigated the incidents and found that the incidents were caused by an issue in APTFM’s nomination system.</p> <p><u>Actions</u></p> <p>The APTFM’s nomination system issue was fixed on 08 April.</p>	<p>Immaterial</p> <p>On 07 April 2020, AEMO requested participants to provide their feedback on this breach by 21 April.</p> <p>AEMO received feedback from Origin and AGL confirming no impact and 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>
16 – 17 March 2020	WA	APT Facility Management Pty Ltd (APTFM)	181 of the WA RMP	<p><u>Description</u></p> <p>High swing service volumes were detected for gas days 16 and 17 March 2020 on the North metro (1106) and South metro (1107) sub-networks. AEMO investigated this matter and found that APTFM’s user’s pipeline nomination amount (UPNA) was higher</p>	<p>Immaterial</p> <p>On 06 April 2020, AEMO requested participants to</p>

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				<p>than the user allocation instruction (UAI) for the Parmelia (P) pipeline for gas days 16 to 17 March. This contributed to the swing service of:</p> <ul style="list-style-type: none"> • 575 GJ on 1106 and 475 GJ on 1107 for gas day 16 March • 725 GJ on 1106 and 550 GJ on 1107 for gas day 17 March <p>This is a breach of clause 181 of the WA RMP relating to a user minimising its contribution to swing service.</p> <p><u>Cause</u></p> <p>This incident was caused by a demand forecast error.</p> <p><u>Actions</u></p> <p>APTFM will review its system and business process to ensure correct demand forecast is being used.</p>	<p>provide their feedback on this breach by 20 April.</p> <p>AEMO received feedback from Origin and AGL confirming no impact and 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>
25 March 2020	NSW- ACT	AEMO	1.3.2 of the NSW-ACT RMP	<p><u>Description</u></p> <p>On 25 March 2020, 133 medium priority transaction acknowledgements breached the transaction acknowledgement time of 270 minutes by 9 hours.</p> <p>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 Specifications" specifies that all medium priority transactions shall be acknowledged within 270 minutes.</p> <p><u>Cause</u></p> <p>A suite of security software products failed on 24 March at 11:55PM (AEST). The service attempted to restart itself in the event of failure. The service continued to attempt to restart</p>	<p>Immaterial</p> <p>AEMO's non-compliance with clause 1.3.2 of the NSW-ACT RMP on 25/03/2020 had no material impact on any other market participants, the market as a whole, or end use customers.</p>

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				<p>unsuccessfully. This resulted in the resources of the server being consumed and preventing the normal operation of the server.</p> <p><u>Actions</u></p> <p>On 25 March, AEMO rebooted the server and normal processing resumed at 9.45AM.</p> <p>AEMO has restored the configuration of the suite of security software products to raise an alert and wait for a manual restart of the service after an investigation by the support staff. This configuration was lost when the suite of security software products was upgraded.</p> <p>AEMO has also updated the infrastructure support knowledgebase to ensure that the configuration of the suite of security software products is validated after any future upgrade.</p>	
09 April 2020	QLD	AEMO	6.10.2(a) of the QLD RMP	<p><u>Description</u></p> <p>On 09 April 2020, the provision of the network allocation daily (NAD) file for gas day 08 April for the QLD gas retail market to the STTM system was delayed by 1 hour and 16 minutes.</p> <p>This caused a non-compliance with the QLD RMP relating to the timely provision of the NAD file to the STTM system.</p> <p><u>Cause</u></p> <p>Daily meter read data extracts should be provided to AEMO by 9:30AM (AEST) by distributors as per clause 5.5.1(1) of the QLD RMP. The data is used in the generation of NAD files. A distributor was delayed by approximately 15 minutes in the provision of daily meter read data on 09 April. Estimated interval meter read data should be generated in the event of the late</p>	<p>Immaterial</p> <p>AEMO's non-compliance with clause 6.10.2(a) of the QLD RMP on 09 April 2020 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>There was no impact on the STTM daily prudential calculations and processing as the NAD file was delivered prior to the processing of the STTM daily prudential.</p>

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				<p>delivery and used in the calculation of the NAD file. In this instance, estimated interval meter read data was generated, yet the NAD file was not successfully produced. This was due to a QLD daily meter registered with incorrect registration detail. The incorrect entry caused a system error in generating a full estimated daily meter read dataset and this caused the NAD file to fail.</p> <p>The distributor investigated the cause of the late delivery of interval meter read data and found this to be due to multiple reports being delivered simultaneously causing a backlog in report delivery. The distributor advised AEMO that this issue is now resolved.</p> <p><u>Actions</u></p> <p>On 09 April, automated alerts were received regarding the absence of the QLD NAD file at 10:05AM (AEST). The NAD file processing job was re-triggered and completed at 11:45AM (AEST).</p> <p>Upon completion of the investigation for the processing error, AEMO corrected the registration detail of the MORN.</p>	