



Retail Energy Market Company

**IMPACT & IMPLEMENTATION REPORT
(INCORPORATING THE PROPOSED RULE CHANGE) – SUMMARY SECTION**
(For REMCo to complete and administer)

Rule Change Number	C02/13R		
Impacted jurisdiction(s)	Western Australia		
Proponent	Tim Sheridan	Company	REMCo
Industry consultative forum(s) used	RCC	Date concluded by Rule Change Committee (“RCC”)	24/04/13
Rule change ranking (as per Chapter 9): <ul style="list-style-type: none"> ▪ Non-substantial ▪ Low impact ▪ High impact 	Low impact		
Short description of change(s)	Verification of Shipper on Sub-Network		
Rule(s) or documentation impacted	Rules 67 and 83 of the Retail Market Rules		
Summary of the change(s)	Modifying the GRMS by adding a validation check into the Change of User and Commissioning of Delivery Point transactions to ensure that when a MIRN is transferred to a User on a sub-network, the User has a Shipper on that sub-network.		
I&IR prepared by	Tim Sheridan	Approved by	Stephen Eliot
Date I&IR published	30/04/12	Date consultation concludes	14/05/13
Contact address for written responses	REMCo Rule Change C/- AEMO GPO Box 2008 Melbourne VIC 3001		
Email address for responses	remco_adminstration@aemo.com.au		
Other key contact information	Tim Sheridan, (03) 9609-8417		

IMPACT & IMPLEMENTATION REPORT – DETAILED REPORT SECTION

CRITICAL EXAMINATION OF PROPOSAL

<p>1. Description of change(s) and reasons for change(s)</p>	<p>This Impact and Implementation Report (“I&IR”) has been developed by REMCo in accordance with Rule 397 of the Retail Market Rules (“Rules”) and is raised for consideration by gas retail market participants as a Low Impact Rule Change (C02/13R).</p> <p>The proposed amendments in this I&IR were raised for discussion as a Proposed Rule Change (“PRC”) by REMCo at the Rule Change Committee (“RCC”) on 24/04/13 and were endorsed by the RCC as a Low Impact Rule Change.</p> <p>In summary, this Rule Change proposes:</p> <ul style="list-style-type: none"> • amending Rules 67 and 83 of the Rules to validate that the Incoming User specified in a new connection confirmation notice or a transfer request has valid Shipper arrangements for the delivery of gas to that sub-network; and • modifying the Gas Retail Market System (“GRMS”) by adding a validation check to the Change of User (“CoU”) and Commissioning of Delivery Point (“COM-DP”) transactions. <p>The proposed amendments in this Rule Change are to be published in a new version 6.5 of the Rules which has a proposed effective date of 01/10/13.</p> <p>The precise amendments which form part of this Rule change are detailed in Attachment A to this I&IR.</p>
<p>2. Reference documentation</p> <ul style="list-style-type: none"> ▪ Retail Market Rules (the “Rules”); ▪ Business/Information/ Specification Pack Reference; and/or ▪ Other Reference. 	<p>The reference documentation includes:</p> <ul style="list-style-type: none"> • The Retail Market Rules – Version 6.4 • SAWA Interface Control Document (version 4.3); and • WA Business Specification (version 4.0).
<p>3. The high-level details of the change(s) to the existing Rules.</p> <p>This includes:</p> <ul style="list-style-type: none"> ▪ a comparison of the existing operation of the Rules to the proposed change to the operation of the Rules; and ▪ a marked up version of the proposed Rule changes (see Attachment A) 	<p>The Rule Change C02/13R proposes:</p> <ul style="list-style-type: none"> • amending Rules 67 and 83 of the Rules to validate that the Incoming User specified in a new connection confirmation notice or a transfer request has valid Shipper arrangements for the delivery of gas to that sub-network; and • modifying the GRMS by adding a validation check to the CoU and COM-DP transactions. <p>See Attachment A for the marked-up Rule amendments.</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 I&IR are considered to be 'low impact' because the amendments:</p> <ul style="list-style-type: none"> (a) do not materially impact the information technology systems of REMCo, participants, pipeline operators or prescribed persons; (b) do not materially alter consumer protection mechanisms under the Rules; and (c) do not have a material commercial impact on REMCo, participants, pipeline operators or prescribed persons.
<p>5. Overall Industry cost/benefit analysis (tangible / intangible / risk) and/or cost estimates</p>	<p>Cost</p> <p>REMCo has obtained a budgetary estimated from CGI with a cost of between \$5,965 and \$7,218 to implement the proposed changes to the GRMS. REMCo has not received any information from other gas retail market participants on the cost of this Rule Change on their business.</p> <p>Benefits</p> <p>REMCo considers that the likely benefit for industry as a whole are:</p> <ul style="list-style-type: none"> • the ability for the GRMS to reject invalid MIRN transactions where a User does not have a Shipper on the relevant sub-network; • Users will receive a negative acknowledgement message from the GRMS when such invalid transactions occur, therefore reducing the occurrence of such events in the future; and • the market will avoid problems associated with delays in the GRMS processing market reports when a User submits an invalid MIRN transaction (where a User does not have a Shipper on the relevant sub-network), such as potential imbalance charges on the pipelines resulting from delays in passing nominations to the pipeline operators.
<p>6. The likely effect of the change(s) on stakeholders (e.g. industry or end-users)</p>	<p>REMCo does not consider that the proposed amendments as described in this I&IR will have any effects on stakeholders or their systems.</p>
<p>7. Testing requirements</p>	<p>There are no testing requirements.</p>
<p>8. Consideration of the recommended Rule change by REMCo under Rule 399. REMCo must either:</p> <ul style="list-style-type: none"> ▪ endorse the recommended rule change; or ▪ reject the recommended rule change 	<p>In accordance with Rule 399, REMCo endorses the low impact Rule change as previously determined by the RCC under Rule 397.</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>The GMI on the proposed amendments was also circulated to the following market participants:</p> <ol style="list-style-type: none"> a. Alinta Sales, as a User, Shipper and swing Service Provider; b. APT, as a Pipeline Operator and Swing Service Provider; c. ATCO Gas Australia, as the Network Operator; d. DBP, as a Pipeline Operator; e. Kleenheat Gas, as a Shipper and Swing Service Provider; f. Perth Energy as a User, Shipper and Swing Service Provider; g. Premier Power Sales, as a User; and h. Synergy, as a User and Swing Service Provider. <p>The PRC was discussed at the RCC meeting on 24/04/13 and endorsed by the RCC as Low Impact Rule Change C02/13R.</p>
<p>10. Legal review:</p> <ul style="list-style-type: none"> ▪ does this rule change impact the ACCC authorisation? ▪ is an external legal review required? 	<p>The ACCC authorisation is for Chapters 5 and 6, and Appendices 7 to 10 of the Rules. As a result, the Rule change does not impact the ACCC authorisation; and no external legal review is required.</p>
<p>11. Should the proposed Rule change be made, (with or without amendments)?</p>	<p>REMCo recommends that the proposed amendments as described in this I&IR should be made without further amendments.</p>
<p>12. If applicable, a proposed effective date for the proposed Rule change(s) to take effect and justification for that timeline.</p>	<p>The effective date for this Rule change and version 6.5 of the Rules is targeted for 01/10/13.</p>

ATTACHMENT A – Amendments to the Retail Market Rules

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

Amend Rule 67 as follows:

67. Requirements for valid new connection confirmation notice

A *new connection confirmation notice* is valid only if:

- (a) the *MIRN* does not already exist in the *REMCo registry*; and
- (b) it is lodged by the *network operator* who has an *active GBO identification*; and
- (c) the *user* nominated by the *network operator* as the *current user* for item 20(1)(d) of the *REMCo standing data*, has an *active GBO identification*; and
- (d) the date on which the *notice* is received is on or after the date on which the *MIRN* became *commissioned*; and
- (e) the *meter type* is either a *basic meter* or an *interval meter*; and
- (f) the *gas zone* exists in the *REMCo registry*; ~~and~~
- (g) the *notice* sets out information for the purposes of rules 66(e); and
- (h) the *user* has a contract with a *shipper* for the haulage of *gas* to that *delivery point*.

Amend Rule 83 as follows:

83. Requirements for valid transfer request

A *transfer request* is valid only if:

- (a) the *delivery point* exists within the *REMCo registry*; and
- (b) the *MIRN status* is *commissioned* or *decommissioned*; and
- (c) there is not, in relation to the *delivery point*, an *open transfer request*; and
- (d) there is not, in relation to the *delivery point*, an *open error correction transaction*; and
- (e) the *incoming user* is a *user* and has an *active GBO identification*; and
- (f) except in the case of a *ROLR event* — the *incoming user* is not the *ROLR*; and

- (g) if the *requested transfer* is a *move in* the *transferring customer* is a *small use customer*;
{Note: *REMC*o determines under rule 373 whether a customer is a *small use customer*.}
- (h) if the *requested transfer* is a *move in* — the *delivery point* is *basic-metered*; and
- (i) the *earliest transfer day* is within the *allowable period* and:
 - (i) if the *requested transfer* is not a *move in* — no earlier than 5 *business days* after the date on which the *transfer request* is lodged; and
 - (ii) if the *requested transfer* is a *move in* — no earlier than the date on which the *notice* is lodged.
- (j) the *user* has a contract with a *shipper* for the haulage of *gas* to that *delivery point*.