



18 March 2009

Governance Section
National Energy Market Branch
Department of Resources, Energy and Tourism
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Email: AEMO_ISC@ret.gov.au

Attention: Mr Steve Rodgers

Dear Steve

ORIGIN ENERGY RESPONSE: RELEASE OF EXPOSURE DRAFTS OF WHOLESALE GAS MARKET RULES AND RETAIL GAS MARKET PROCEDURES

Origin Energy Retail Limited (Origin) welcomes the opportunity to provide comments on the Exposure Drafts of the Wholesale Gas Market Rules and Retail Gas Market Procedures recently released by the Australian Energy Market Operator (AEMO) Implementation Steering Committee (ISC).

Origin has attended the various market operator presentations covering the transition of these regulatory instruments under the national legislative framework and generally supports the proposed approach. It is particularly pleasing to see that a minimalist approach to rule changes has been taken with most retail rules transitioning to procedures apart from the Victorian Market System and Operations (MSOR) Rules which will become declared Wholesale Gas Market Rules. The various technical specification documents linked to the former Victorian, Queensland and South Australian rules can now also transition across with the procedures maintaining their existing reference numbering.

Origin understands that there will be a release of specific transitional legislation later this year that will facilitate the assignment of contractual arrangements that exist under the South Australian REMCo rules. These deeds¹ were included in the REMCo rules for completeness and do not form part of the rules as they have been executed separately by various parties. Origin looks forward to reviewing this transitional legislation.

The new procedure development process managed by AEMO, with a consultation process to be determined, should ensure that industry expertise is not lost in the transition of the various market operators to AEMO.

Origin also notes the minor variation in the naming applied to each jurisdictional procedure and therefore suggests that these procedures be called the **Retail Gas Market Procedures (*Jurisdiction*)** for each jurisdiction.

¹ Swing Service Provision Umbrella Deed (SSPUD) and Swing Service Provider of Last Resort Umbrella Deed (SSPOLRUD)



Specific Comments

The following tables outline specific amendments identified with each of the proposed procedures.

Item	Page	Clause	Comment
1	1	Introduction	The introduction section should also cover the legislative framework that the procedures operate under as per the 'Note' prior to the introduction of the Retail Market Procedures (NSW and ACT).
2	3	Definitions	A definition for 'AEMO' needs to be included
3	25	Definition 'negative system load'	This definition should be 'net system load' as referenced under clause 223.
4	33	Definition 'sub network'	The term 'sub network' was introduced with the participation of Western Australia during the development of the REMCo rules. As the new procedures no longer apply in WA this term should be amended to 'network'. This term is more readily used to describe the South Australian gas distribution systems and provides added clarity. It is acknowledged that this amendment would necessitate changes throughout the procedures.
5	245	296A (d)	The closing bracket of the Note needs to be replaced.
6	310	16	Space required between Procedures and (South Australia) in two instances.
7	317	Background	The numbering commences at E - L but should be A - H.

Item	Page	Clause	Comment
1	1	Introduction	The introduction should also cover the legislative framework that the procedures operate under as per the 'Note' prior to the introduction of the Retail Market Procedures (NSW and ACT).
2	1	1.1.1 Definitions	A definition for 'AEMO' needs to be included
3	8	1.2.2	This clause discusses three types of consultative procedures including standard, expedited and extended. These terms are not shown as defined terms and also do not exist in the definitions section. Clarity or a reference to the meaning of these terms is required.
4	12	Heading	'Trading Processes' amend to Trading Procedures
5	28	3.1.1 (h)	The term 'tariff zone' has replaced the former distribution zone. This could have implications to the GIP and therefore



Retail Market Procedures Victoria			
Item	Page	Clause	Comment
			Origin sees no value in changing this terminology.
6	28	3.1.1 (j)	'Distribution tariffs' should be singular - replace with Distribution tariff as only one distribution tariff applies per site at any particular time.
7	28	3.1.1 (l)	This clause related to the application of any excluded service charges and local capacity charges. While it is acknowledged that these may no longer apply or have expired a fulsome analysis of this has not been undertaken by the industry rules committee. There could also be implications to the GIP if this clause is removed. Suggest that this clause should not be deleted until all of the implications are understood.
8	28	Heading	'MIRN Discovery Processes' amend to MIRN Discovery Procedures.
9	34	4.1.2(b)	The formatting of this clause requires attention.
10	34	Heading	'Customer Transfer Processes' amend to Customer Transfer Procedures
11	45	Heading	'Customer Data Rules' amend to Customer Data Procedures
12	46	Heading	'Retailer of Last Resort Rules' amend to 'Retailer of Last Resort Procedures'
13	47	6.1.6	For consistency amend '118 th ' to one hundred and eighteenth
14	47	6.1.8	For consistency amend '50 th ' to fiftieth.
15	48	7.0	For consistency with the Queensland Procedures and as a valuable provision a Savings and Transitional clause needs to be included similar to that used in the Queensland Procedures.

Retail Market Procedures (NSW and ACT)			
Item	Page	Clause	Comment
1		Contents	For consistency with the other jurisdictional procedures the contents section should be placed at the commencement of the procedures
2	2	1.2 Definitions	A definition for 'AEMO' needs to be included.
3	149	41 (1)	Replace 'be' with by.
4	157	Part J Manifest Errors	Origin has supported the retention of a power similar to what previously existed under rule 45A of the Gas Retail



Retail Market Procedures (NSW and ACT)			
Item	Page	Clause	Comment
			Market Business Rules subject to further discussion by the Business Rules Industry Committee. It may be that this rule will be constrained to the correction of manifest data errors similar to what exists in the MSOR and REMCo rules.

Retail Gas Market (Queensland) Procedures			
Item	Page	Clause	Comment
1	6	1.8 AEMO fees	Reference to fees should be removed as it is managed under the rules
2	24	Heading	MIRN Discovery Processes' amend to MIRN Discovery Procedures.
3	24	3.1.1 (j)	This clause has been amended in the Victorian rules to improve grammar and if still deemed to be required then similar should occur with this clause.
4	28	Heading	'Customer Transfer Processes' amend to Customer Transfer Procedures
5	39	Heading	'Interval Metering Processes' amend to Interval Metering Procedures.
6	44	Heading	'Balancing Processes' amend to Balancing Procedures
7	52	6.8.2 (f)	Formatting of this clause needs attention
8	61	Definitions Attachment 1	For consistency with the other procedures the Definitions section needs to be placed at the commencement of the procedures.
9	82	Attachment 7 3.1.2 and 3.1.3	Reference to fees and charges remains in these procedures but has been removed from all other jurisdictional procedures on the understanding that it is managed in the rules. This inconsistency needs to be addressed.

Should you wish to further discuss any of these comments please do not hesitate to contact me on 03 9652 5880.

Yours sincerely

Randall Brown
Regulatory Development Manager