

A few  
words.

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## **AGL Submission: Retail Market Procedures**

Dear Steve,

AGL provides this submission by way of commentary on the draft wording of the four sets of Retail Market Procedures that are intended to replace the Retail Market Rules that currently govern the retail gas markets in Queensland, Victoria, NSW and SA.

Should you have any queries, please contact Andrew Robertson on (03) 8633 6045.

Yours sincerely

Elizabeth Molyneux

**General Manager Energy Retail Regulation**



## **Attachment 1: Retail Gas Market (Queensland) Procedures**

### **Chapter 1**

Clause 1.8(d) refers to FRC tariffs approved by QCA. We understood that the relevant regulator would be the AER.

### **Attachment 7 FRC Tariffs and Balancing Parameters**

Clauses 1.2 and 1.3 make references to the QCA approving FRC tariffs. Should this not now refer to the AER as the relevant regulator?

## **Attachment 2: Retail Market Procedures (NSW and ACT)**

### **Part H**

AGL fully endorses Part H of the draft Retail Market procedures for NSW and ACT. This gives AEMO the option of considering breaches and ruling on those that are technical or non-material in nature. This procedure has been in place under the GMC Rules and was found to be a very efficacious method of dealing with breaches that can generally be described as trivial in nature and with no material consequences on other participants or the market. Recent examples of such breaches are errors in the inputting of Participant Imbalance Amounts (PIAs), a common enough occurrence given that the systems that are utilised require manual entry by traders. PIAs, incidentally, are one of the devices used by participants to correct cumulative imbalances on a forward basis through adjustments to their nominations.

Adoption of Part H would also make the Retail Market Procedures (NSW and ACT) consistent with provisions in Part 6.3 of the Retail Market Procedures (South Australia). Consistency and uniformity of treatment of minor breaches in both jurisdictions is to be encouraged and would have the added benefit of filtering frivolous or vexatious claims from the AER and also result in the resolution of minor matters in an effective manner. This will ensure that only material matters are referred to the regulator.

### **Part J**

AGL also wishes to fully endorse the concept of an ability to correct for “manifest errors”, a proposed change for Part J whose drafting is being considered by the Business Rules Industry committee (BRIC), the GMC Rules consultation body. Adoption of this sensible provision would allow AEMO to set aside those market outcomes that are the result of manifest error, generally in metering data. This is a provision that has been available in the REMCO Rules (Rule 301A) and has been used effectively to overcome the occasional issue with errors in the data streams that feed into the market that may have adverse consequences for participants.

The new section J will effectively replace a previous rule, Rule 45A, available to the GMC Board to issue directives, under prescribed circumstances, to rectify an undesirable situation.

### **General**

AGL notes that all references to rule changes in various footnotes make reference to the rule change being effective at a date to be determined by the GMC CEO. AGL is concerned that these rule changes are effective before removal of the footnote. AGL has no specific example of where a rule change is referred to in a footnote, but not effective.

### **Definitions**

AGL notes that a marked up version of the definitions have not been provided with the NSW/ACT Retail Market procedures.

## Attachment 3:Retail Market Procedures (South Australia)

### Appendix 12 Transitional Provisions

AGL has a semantic quibble in relation to clause 3(2)(i) of the Procedures, which is reproduced below. A participant could not have been a “member of the former gas market operator”. It could have been a “member of REMCo” or a “member of the scheme or arrangement managed by the former gas market operator”.

- (2) Each *participant* must pay to AEMO (as applicable):
- (i) the *registration fee* — *where a participant was not a member of the former gas market operator in South Australia at the changeover date, upon becoming a participant;*

### Clause 21A - FRC Certification

This clause may contain generic references which will not specify a state based obligation (or technical document e.g. the specification pack). This could create confusion across multiple jurisdictions if documents are renamed the same but are jurisdictionally relevant. AGL suggests that these documents retain a regional identifier until national consolidation occurs.

## **Attachment 4: Retail Market Procedures (Victoria)**

### **Chapter 1**

The definition of “host retailer” relies on the definition in the Rules. As we have pointed in our submission of 13 March 2009 with respect to the Declared Wholesale Gas Market Rules, the mapping of “declared host retailer” to distribution zone has been inadvertently been deleted. We have stated in our above-mentioned submission that a number of jurisdictional obligations and processes (RoLR, UaFG settlement and wash-up, VENCORP wholesale gas market settlement statements, etc) draw on this mapping. It is suggested that this mapping be replaced forthwith in the Declared Wholesale Gas Market Rules.

### **Definitions**

There are a number of references in the definitions to “the term in Part [X] of the rules” rather than a specific reference.