
REMCo Monthly Market Outcomes Report – October 2016

The Australian Energy Market Operator (“AEMO”) commenced operating the WA gas retail market on 31 October 2016. Therefore, this is the final REMCo Monthly Market Outcomes Report.

AEMO will publish the following two monthly reports to replace the REMCo Monthly Market Outcomes Report:

- customer transfer and customer number data will be published in the “Gas Retail Markets Monthly Statistics Report”; and
- swing service data will be published in the “Swing Service Report”.

AEMO will commence publishing these two reports on its website (www.aemo.com.au) in early December 2016, covering November 2016.

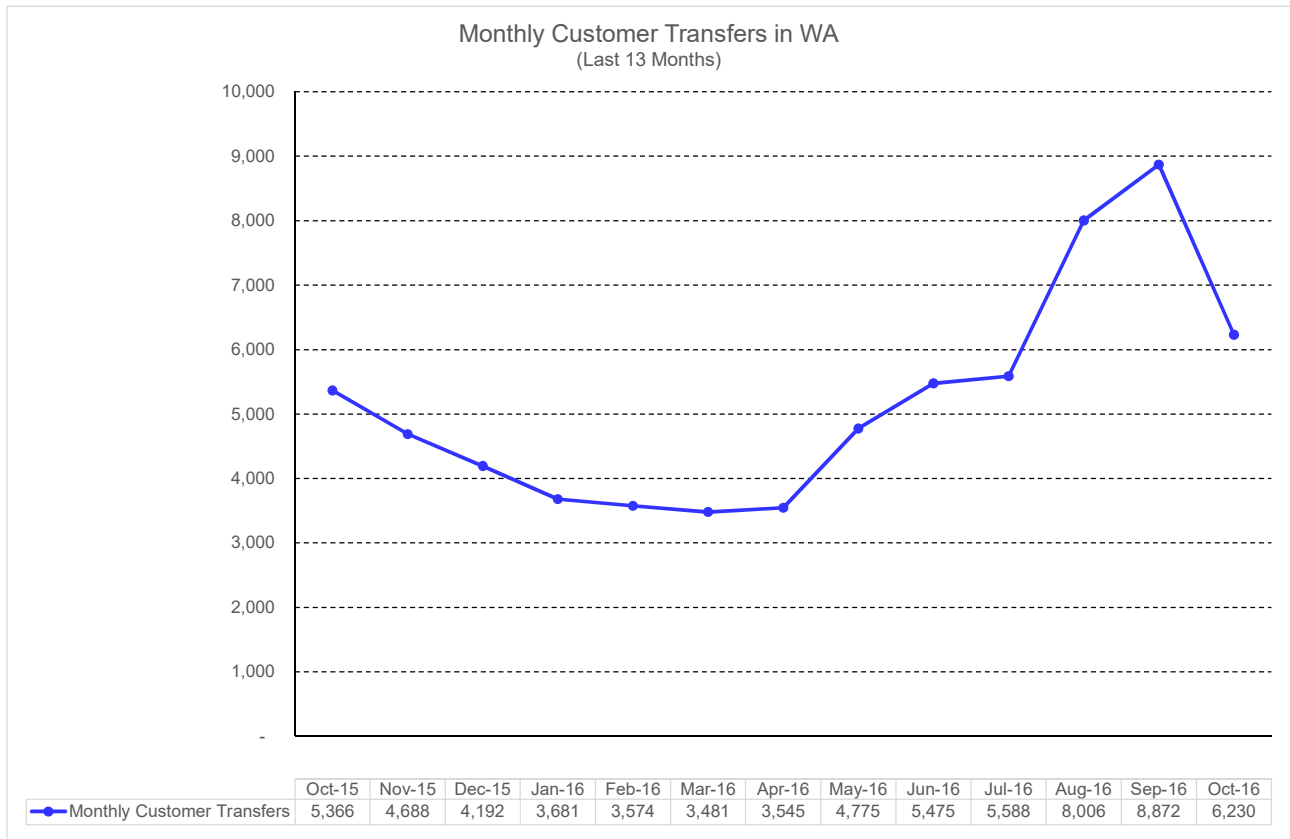
The following statistics relate to the Western Australian gas retail market operated by REMCo for the reporting period to October 2016. All data in this report is as per the databases in the REMCo gas retail market systems.

This report contains statistics that provide trends on:

- monthly customer transfers;
- monthly change in customer numbers; and
- monthly Swing Service market outcomes.

Monthly Customer Transfers

The following monthly customer transfer data is based on the number of completed customer transfers at the end of the month for a 13 month rolling window. The data excludes transfers that have been initiated but not completed by month end.



There was a total of 742,344 MIRNs in Western Australia at the end of October 2016, indicating that 8.4% of MIRNs have transferred over the last 12 month period.

Monthly Change in Customer Numbers

The following data shows the change in the number of registered delivery points in REMCo's gas retail market systems for each month over a 13 month rolling window.



This information represents the total number of newly registered delivery points for the month, net of deregistered delivery points.

Monthly Swing Service Market Outcomes

The following table provides the information on the operation of the Swing Service market on the North Metro and South Metro sub-networks over a 13 month rolling window.

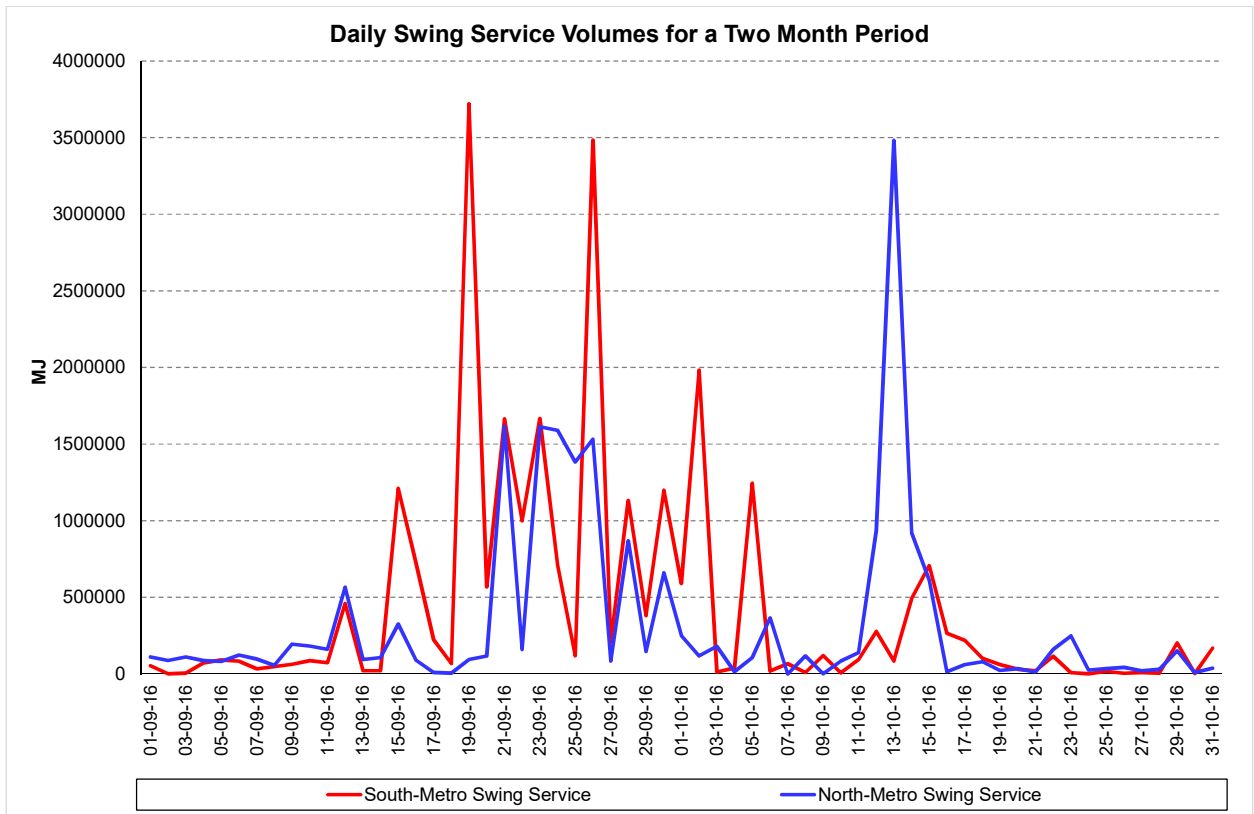
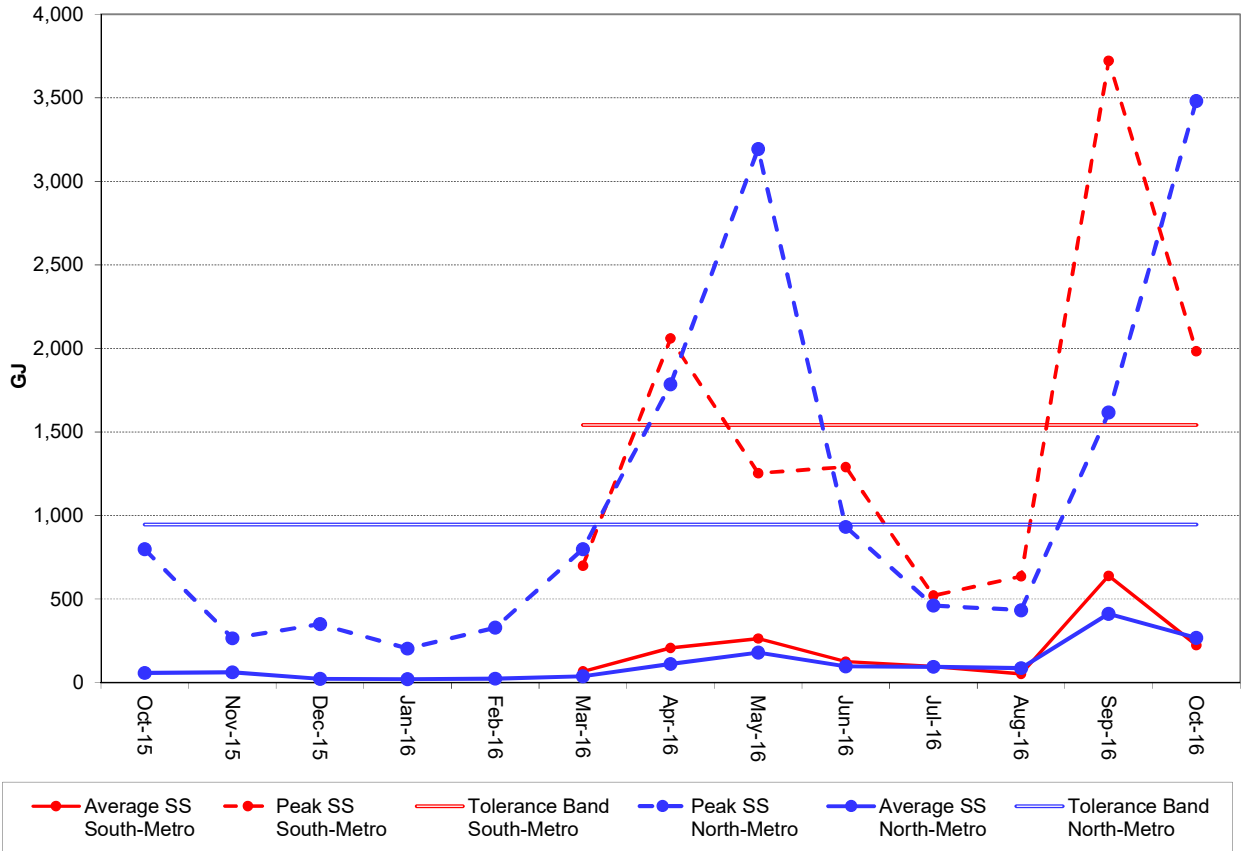
Swing Service Report – October 2016				
Month	North Metro		South Metro	
	Peak SS (GJ)	Average SS (GJ)	Peak SS (GJ)	Average SS (GJ)
October 2015	798	58		
November 2015	265	62		
December 2015	351	23		
January 2016	204	22		
February 2016	330	24		
March 2016	799	38	700	68
April 2016	1,785	112	2,060	207
May 2016	3,194	181	1,254	264
June 2016	932	97	1,291	126
July 2016	461	95	521	97
August 2016	434	86	636	53
September 2016	1,617	412	3,721	640
October 2016	3,481	268	1,983	225
Average	2-year	101	Since March 2016	210

North Metro

- Average and peak Swing Service volumes in the North Metro sub-network were near normal levels for the month of October 2016, with the exception of one Swing Service spike on 13/10/16.
- APT Parmelia sent REMCo an e-mail on 14/10/16 indicating that it had flowed less gas than scheduled for gas day 13/10/16 due to being pressured out during the evening.
 - APT Parmelia did not send REMCo a notice under clause 255(1) of the Retail Market Rules (the “Rules”); so REMCo did not provide a notice to market participants on this matter under clause 255(2).
 - There was a Swing Service spike on 1106 for gas day 13/10/16. It is questionable whether APT Parmelia should have sent a notice to REMCo under Rule 255(1), but REMCo believes that APT Parmelia acted in good faith, and so REMCo does not believe that any compliance action is required against APT Parmelia. There were no Rule breaches by REMCo or Users on the North Metro sub-network for gas day 13/10/16

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- South Metro**
- Swing Service has applied in the South Metro sub-network for only 8 months, so there is still not a sufficiently long-term trend to use as a comparator for market performance.
 - However, Swing Service volumes for the South Metro sub-network were near the average since Swing Service commenced operating on the South Metro sub-network in March 2016, and there were no significant Swing Service spikes in the month.
 - REMCo received three Notices of Special Circumstances under clause 255(1) of the Rules from APT Parmelia for the South Metro sub-network for gas days 14/10/16, 15/10/16, and 18/10/16.
 - Receipt of these notices relaxed the 10% threshold on User renominations during these gas days.
 - There were no Swing Service spikes on the South Metro sub-network on these gas days – this is indicative that the Users were able to renominate on these gas days, and that the clause 255 process was effective in preventing Swing Service spikes.
 - REMCo investigated gas days 14/10/16, 15/10/16 and 18/10/16 for the South Mero sub-network and determined that there were no associated Rule breaches.
 - However, REMCo notes that these three notices under clause 255(1) were are also the first three such notices since the market commenced in 2004. REMCo is of the view that clause 255 should not be used as a means to address day-to-day operational issues, so AEMO has been asked to have the Procedure Change Committee (“PCC”) commence a review clause 255 of the Retail Market Procedurs (the “Procedures”) in December 2016.

13 Month Swing Service Results



Terms:

- **Peak SS** means the maximum amount of Swing Service recorded on a day during that month.
- **Average SS** means the average amount of Swing Service for any day in that month.
- **Peak Trend** is the linear trend of the Peak SS data, using the least squares method.
- **Average Trend** is the linear trend of the Average SS data, using the least squares method.
- **Tolerance Band** is a marker – REMCo will investigate and report on any Swing Service spikes that are larger than the Tolerance Band. The Tolerance Band is defined as a volume equal to the mean amount of Swing Service over the last 2 years plus 3 standard deviations.