

PROPOSED PROCEDURE CHANGE (PPC) – SUMMARY SECTION
(For Proponent or AEMO to complete. Template focuses on solution identification)

Issue Number	IN006/11		
Impacted Jurisdiction(s)	VIC, QLD & SA		
Proponent	Brooke Edwards	Company	AEMO
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Affected Gas Market(s) <ul style="list-style-type: none"> ▪ Retail ▪ Wholesale ▪ Bulletin Board ▪ STTM 	Retail	Date proposal sent to AEMO	31 May 2013
Short Title	Updates to the FRC HUB Operational Terms and Conditions		
Other key contact information	grcf@aemo.com.au		

PROPOSED PROCEDURE CHANGE (PPC) – DETAILED REPORT SECTION

<p>1. Description of change(s) and reasons for change(s)</p>	<p>This PPC proposes the development of a new version 6 of the FRC HUB Operational Terms and Conditions (the “HUB T&Cs”) and consequential amendments to the Retail Market Procedures (South Australia) (RMP-S).</p> <p>AEMO is developing a new version of the HUB T&Cs which is to be consolidated to apply consistently across VIC, QLD, SA and WA.</p> <p>Currently the Retail Market Procedures (RMP) define and deal with the HUB T&Cs in different ways. Specifically, Victoria and Queensland note that the document must be maintained and published by AEMO and provided to Market Participants (or Users) and Distributors when changes are proposed.</p> <p>In the RMP-S, amendments are proposed to bring the HUB T&Cs in line with the Victorian and Queensland RMPs. In summary, these additional changes are as follows:</p> <ul style="list-style-type: none"> • replacing all references in the SA Procedures to “FRC HUB Conditions” with “FRC HUB Operational Terms and Conditions” to be consistent with the correct title of this document; • amending the definition of “FRC HUB” in the SA Procedures to be consistent with the definition of “FRC HUB” as detailed in VIC and QLD Procedures; and • amending the definition of “Gas Interface Protocol (GIP)” in the VIC and QLD Procedures to be consistent with the definition of the “AEMO Specification Pack” as detailed in the SA Procedures. <p>The proposed amendments are detailed in Attachment A.</p>
<p>2. Reference documentation</p> <ul style="list-style-type: none"> ▪ Procedure Reference ▪ GIP/Specification Pack Reference ▪ Other Reference 	<p>Reference documentation includes:</p> <ul style="list-style-type: none"> • Retail Market Procedures (South Australia) • Retail Market Procedures (Victoria) • Retail Market Procedures (Queensland) • FRC HUB Operational Terms and Conditions
<p>3. The high level details of the change to the existing Procedures</p>	<p>This PPC proposes changes to the RMPs in South Australia, Queensland and Victoria, to ensure that the RMPs deal with the HUB T&Cs consistently.</p> <p>Additionally, this PPC proposes changes to the HUB T&Cs. Version 5.0 of the HUB T&Cs is the current version for Victoria, Queensland, and South Australia, and for REMCo: version 4.0 of the HUB T&Cs apply. The changes proposed for the HUB T&Cs will bring all three jurisdictions (and WA) onto one consistent set of HUB T&Cs (version 6), whilst updating the document to ensure consistent language.</p>
<p>4. Consequences for</p>	<p>The consequence of not changing the RMPs and the HUB T&Cs</p>

making or not making the change(s)	will continue the inconsistencies that exist across the various jurisdictions.
5. Explanation regarding the order of magnitude of the change(s) (eg: material, non-material or non-substantial)	The changes proposed aim to have the same processes for change management and HUB T&Cs exist across jurisdictions. Therefore, AEMO considers that the process impact is non-material. There are no IT system changes proposed and the ITDF have reviewed the proposal and provided no submissions or comments.
6. Likely benefits for industry as a whole	The changes will provide a consistent set of obligations that prescribe how AEMO and participants interact with the HUB T&Cs and a consistent set of HUB T&Cs that will limit any confusion in the future. There will also be efficiency gains in maintaining and administering a single version of the HUB T&Cs across all applicable jurisdictions.
7. The likely implementation effect of the proposal on Industry in general and/or any identified parties (e.g. end-users)	As noted in section 6, once formally implemented, there will be on standardised process for three markets. This provides harmonisation benefits and efficiencies. A formalised approach will benefit AEMO, retailers and distributors.
8. Testing requirements	Nil
9. Supporting Documentation (attach if necessary)	See marked up RMP changes and the draft version 6.0 of the HUB T&Cs.
10. If applicable, a proposed effective date for the proposed changed Procedures to take effect and justification for that timeline.	AEMO proposes the following consultation timeline: <ul style="list-style-type: none"> • PPC consultation submissions due: 24 June 2013 • IIR consultation released: 27 June 2013 • IIR consultation submissions due: 26 July 2013 • AEMO Decision: no later than 8 August 2013 with a proposed effective date of 1 October 2013.

**ATTACHMENT A –
PROPOSED RETAIL MARKET PROCEDURE (VICTORIA) CHANGES**
Blue represents additions Red and strikeout represents deletions – Marked up changes

AMENDMENTS TO THE RETAIL MARKET PROCEDURES (SOUTH AUSTRALIA)

1. Delete the Introduction on page 1:

INTRODUCTION

~~{Note: These Procedures are one element of the retail market arrangements that AEMO operates for the gas industry in South Australia. These Procedures should be read in conjunction with the following documents that relate to the governance of AEMO, the operation of the Gas Retail Market System that supports these Procedures and the manner in which participants, pipeline operators, prescribed persons and AEMO interact in the gas markets:~~

- ~~• the AEMO Specification Pack; and~~
- ~~• the User Guidelines for the AEMO Specification Pack; and the FRC; and~~
- ~~• all applicable laws in South Australia. Whether or not a person is required to comply with a particular law will depend on that person's constitution, business and activities. Each person should obtain their own advice in relation to compliance with such laws.}~~

2. Amend the following definitions under clause 2:

“AEMO Specification Pack” means the protocol which governs the manner and form in which information is to be provided, notice given, notices or documents delivered and requests made as contemplated by these Procedures. ~~the suite of documents, as approved by AEMO, to support the operation of these Procedures.~~

“FRC **HUB**” means the information system provided by AEMO for the transmission of aseXML messages under these Procedures.

“FRC **HUB** certification criteria” means the criteria specified in the Connectivity Testing and Technical Certification document within the *AEMO Specification Pack*.

“FRC **HUB** certification process” means the testing process set out in the Connectivity Testing and Technical Certification document within the *AEMO Specification Pack* to ensure that a person's *information system* complies with the requirements of the FRC **HUB** Operational Terms and Conditions.

“FRC **HUB** Operational Terms and Conditions” means the terms and conditions under which that apply between AEMO, each user and network operator seek connection to and

~~are obliged to operate under when connecting to and issuing or and any business that sends or receives~~ receiving transactions ~~on~~ via the *FRC HUB*, ~~as amended from time to time under these Procedures.~~

“permitted down time” has the meaning given to that term in the *FRC HUB Operational Terms and Conditions*.

3. Amend clause 14 and 14A as follows:

14 Other instruments

- (1) Each person required to comply with these *Procedures*, must also comply with the following documents (as applicable):
 - (a) the *AEMO Specification Pack*; and
 - (b) *FRC HUB Operational Terms and Conditions*.
- (2) **There is no clause 14(2).**
- (3) In the event of any inconsistency between the provisions of these *Procedures* and either of the documents listed in clause 14(1), the inconsistency is to be resolved by giving precedence to these *Procedures* ~~and then each of the other documents shall be read in the order of precedence as listed in clause 408(1).~~
- (4) *AEMO must publish the AEMO Specification Pack and FRC HUB Operational Terms and Conditions, as amended from time to time.*

14A. Amendment

The *AEMO Specification Pack* ~~and FRC Hub Conditions~~ may only be amended by AEMO undertaking one of the following consultative procedures:

- (a) the ordinary process for making *Procedures* under rule 135EE of the Rules; or
- (b) the expedited process for making *Procedures* under rule 135EF of the Rules.

4. Insert the following new clause 14C as follows:

14C. FRC HUB Operating Terms and Conditions

- (1) In accordance with the certification process (Gas FRC Business to Business Connectivity Testing and System Certification) maintained and published by AEMO, AEMO and each user and network operator must be certified by AEMO prior to using the FRC HUB for transactions specified in the AEMO Specification Pack.
- (2) A breach by a user or network operator of the FRC HUB Operational Terms and Conditions, is taken to be a breach of these Procedures for the purposes of section 91MB of the Law.

- (3) Where a user or network operator uses the FRC HUB in breach of the FRC HUB Operational Terms and Conditions, then as soon as AEMO becomes aware of such breaches AEMO:
 - (a) must notify the user or network operator of the breach; and
 - (b) may take any action in relation to the breach, including issuing a direction to the user or network operator under section 91MB(4)(b) of the Law to rectify the breach or to take specified measures to ensure future compliance (or both).
- (4) Where a user or network operator continues to use the FRC HUB in breach of the FRC HUB Operational Terms and Conditions after a notice of a breach under clause 14C(3) has been provided to the user or network operator, and continued significant breaches of the same nature are evident, then AEMO may treat the continued breach as a material breach of these Procedures and refer the matter to the AER in accordance with section 91MB(4)(c) of the Law.

5. Amend clause 21A and 22 as follows:

21A. FRC HUB certification

- (1) Each person who must comply with some or all of these Procedures, must participate in the FRC HUB certification process and must satisfy the FRC HUB certification criteria prior to the date they are required to comply with these Procedures.
- (2) Prior to AEMO issuing a GBO identification under clause 22(2), AEMO must determine as a reasonable and prudent operator whether a person referred to under clause 21A(1) has satisfied the FRC HUB certification criteria.
- (3) Upon satisfaction of the FRC HUB certification criteria under clause 21A(2), AEMO must issue a FRC HUB compliance certificate to the person.
- (4) AEMO may immediately cancel a FRC HUB compliance certificate if, in AEMO's opinion as a reasonable and prudent person and having regard to the FRC HUB certification criteria, the holder of the FRC HUB compliance certificate breaches its obligations under the FRC HUB Operational Terms and Conditions and/or the Connectivity Testing and Technical Certification document within the AEMO Specification Pack in such a manner that the integrity of the FRC HUB is jeopardised.
- (5) The consequences of AEMO cancelling a FRC HUB compliance certificate for the person whose FRC HUB compliance certificate has been cancelled are:
 - (c) the person must continue to comply with its obligations under these Procedures; and
 - (d) the person is not entitled to personally send and receive notices under these Procedures via the FRC HUB at any time during the period its FRC HUB compliance certificate is cancelled; and

- (e) subject to clauses 22(6) and 22(10), the status of the person's *GBO identification* remains "active".

{Note: As set out in the *FRC HUB Operational Terms and Conditions*, the prohibition on a person personally sending *notices* via the *FRC HUB* while the person's *FRC HUB compliance certificate* has been cancelled only relates to aseXML transactions, because only aseXML transactions are sent via the *FRC HUB*.

The person whose *FRC HUB compliance certificate* has been cancelled ("first person") could arrange for another person who holds an *FRC HUB compliance certificate* ("second person") to send *notices* on the *first person's* behalf, in order for the *first person* to continue complying with their obligations under these *Procedures*.

If the *first person* cannot and does not continue to comply with their obligations under these *Procedures*, their breach of the *Procedures* could be, if it has not been already, referred to AEMO or the AER under CHAPTER 6.}

- (6) AEMO must restore a cancelled *FRC HUB compliance certificate* upon demonstration by the person whose *FRC HUB compliance certificate* has been cancelled, to AEMO's satisfaction as a *reasonable and prudent operator* and having regard to the *FRC HUB certification* criteria, that the person is no longer in breach, or has remedied the breach, of the *Procedures* as referred to in clause 21A(4).

22. GBO identification

- (1) AEMO must have a *GBO identification*.
- (2) AEMO must upon issuing a *FRC HUB compliance certificate* under clause 21A(3) and a *readiness certificate* under clause 21B:
- (a) *notify* each person required to have a *GBO identification* under clause 22(2), of AEMO's *GBO identification*; and
- (b) determine and issue a *GBO identification* for the person for each capacity in which it operates under these *Procedures*; and
- {For example: A user may have two *GBO identifications* – one as a user and one as a ROLR. }
- (c) record the status of the *GBO identification* issued under clause 22(2)(b) as "active" in the *AEMO registry*; and
- (d) within 1 *business day* of issuing a *GBO identification* under clause 22(2)(b), *notify* all other persons with a *GBO identification* under these *Procedures* of the *GBO identification* for the new person and provide them with the information set out in clauses 22(4)(a) to 22(4)(e)

...

AMENDMENTS TO THE RETAIL MARKET PROCEDURES (VICTORIA)

6. Amendment to Clause 1.1.1:

FRC HUB means the information system provided by AEMO for the transmission of aseXML messages under these Procedures.

~~network facility through which AEMO, each Market Participant and Distributor can deliver and receive structured Business to Business transactions utilising the protocols and formats as defined in the Gas Interface Protocol.~~

FRC HUB Operational Terms and Conditions means the terms and conditions under which AEMO, each *Market Participant* and *Distributor* seek connection to and are obliged to operate under when connecting to and issuing or receiving transactions on the *FRC HUB*.

7. Amendment to Clause 1.2.5

1.2.5 FRC HUB

- (a) In accordance with the *certification* process (Gas FRC Business to Business Connectivity Testing and System Certification) maintained and *published* by AEMO, AEMO and each *Retailer* and *Distributor* must be certified by AEMO prior to using the *FRC HUB* for transactions specified in the *Gas Interface Protocol*.
- (b) AEMO must maintain and *publish* **FRC HUB Operational Terms and Conditions** for the *FRC HUB*.
- (c) AEMO, prior to implementing changes to the *published* **FRC HUB Operational Terms and Conditions** for the *FRC HUB*, must:
 - (i) provide *Market Participants* and *Distributors* with the proposed change to the **FRC HUB Operational Terms and Conditions**;
 - (ii) allow a reasonable time to receive *Market Participant* and *Distributor* responses to the proposed **FRC HUB Operational Terms and Conditions**.
- (d) AEMO and each *Market Participant* and *Distributor* must comply with the **FRC HUB Operational Terms and Conditions**, as amended and *published* by AEMO from time to time.
- (e) A breach, by a *Retailer* or *Distributor* of the **FRC HUB Operational Terms and Conditions**, is taken to be a breach of these *Procedures* for the purposes of section 91MB of the Law.

- (f) Where a *Retailer* or *Distributor* uses the *FRC HUB* in breach of the [FRC HUB Operational Terms and Conditions](#), then as soon as AEMO becomes aware of such breaches AEMO:
- (i) must notify the *Retailer* or *Distributor* of the breach; and
 - (ii) may take any action in relation to the breach, including issuing a direction to the *Retailer* or *Distributor* under section 91MB(4)(2) of the Law to rectify the breach or to take specified measures to ensure future compliance (or both).
- (g) Where a *Retailer* or *Distributor* continues to use the *FRC HUB* in breach of the [FRC HUB Operational Terms and Conditions](#) after a notice of a breach under 1.2.5(f)(i) has been provided to the *Retailer* or *Distributor*, and continued significant breaches of the same nature are evident, then AEMO may treat the continued breach as a material breach of these *Procedures* and refer the matter to the AER in accordance with section 91MB(4)(c) of the Law.

AMENDMENTS TO THE RETAIL MARKET PROCEDURES (QUEENSLAND)

8. Amendment to Clause 1.1.1:

FRC HUB

The FRC HUB is the [information system provided by AEMO for the transmission of aseXML messages under these Procedures.](#)
~~network facility through which AEMO, each User and Distributor can deliver and receive structured Business to Business transactions utilising the protocols and formats as defined in the Gas Interface Protocol.~~

[FRC HUB Operational Terms and Conditions](#)

The terms and conditions under which AEMO, each User and Distributor seek connection to and are obliged to operate under when connecting to and issuing or receiving transactions on the FRC HUB.

9. Amendment to Clause 1.3.4

1.3.4 FRC HUB

- (a) In accordance with the *certification* process (Gas FRC Business to Business connectivity Testing and System Certification) maintained and *published* by AEMO, AEMO and each User and Distributor must be certified by AEMO prior to using the FRC HUB for transactions specified in the Gas Interface Protocol.
- (b) AEMO must maintain and *publish*, [FRC HUB Operational Terms and Conditions](#) for the FRC HUB.
- (c) AEMO, prior to implementing changes to the *published* [FRC HUB Operational Terms and Conditions](#) for the FRC HUB, must:
 - (i) provide Users and Distributors with the proposed change to the [FRC HUB Operational Terms and Conditions](#); and
 - (ii) allow a reasonable time to receive User and Distributor responses to the proposed change to the [FRC HUB Operational Terms and Conditions](#).
- (d) AEMO and each User and Distributor must comply with the [FRC HUB Operational Terms and Conditions](#), as *published* by AEMO on its website from time to time.
- (e) A breach, by a User or Distributor of the [FRC HUB Operational Terms and Conditions](#), is taken to be a breach of these Procedures for the purposes of section 91MB of the Law.
- (f) Where a User or Distributor uses the FRC HUB in breach of the [FRC HUB Operational Terms and Conditions](#), then as soon as AEMO becomes aware of such breaches AEMO:
 - (i) must notify the User or Distributor of the breach; and
 - (ii) may take any action in relation to the breach, including issuing a direction to the User or Distributor under section 91MB(4)(b) of the Law

to rectify the breach or to take specified measures to ensure future compliance (or both).

- (g) Where a *User* or *Distributor* continues to use the *FRC HUB* in breach of the *FRC HUB Operational Terms and Conditions* after a notice of a breach under 1.3.4(f)(i) has been provided to the *User* or *Distributor*, and continued significant breaches of the same nature are evident, then *AEMO*~~-(#)~~ may treat the continued breach as a material breach of these *Procedures* and refer the matter to the *AER* in accordance with section 91MB(4)(c) of the *Law*.