



AEMO GAS RETAIL MARKET COMPLIANCE QUARTERLY REPORT GAS RETAIL MARKET PROCEDURES

PREPARED BY: AEMO

Introduction

ROLE OF AEMO

For New South Wales (NSW), Australian Capital Territory (ACT), South Australia (SA), Victoria (VIC) and Queensland (QLD) gas retail markets, section 91MB(3) of the National Gas Law (NGL) requires that, if AEMO has reasonable grounds to suspect a breach of the Retail Market Procedures (Procedures), it must, after making such inquiries and investigations as it considers appropriate, make a decision as to whether the breach is a material breach. AEMO must publish that decision and its reasons. AEMO is required to assess the materiality of breaches of the Procedures and if it determines that the breach is material may direct a person suspected of a breach to take remedial action. AEMO is not required to undertake this assessment for breaches of the NGL and National Gas Rules (NGR).

For Western Australia (WA) gas retail market, Chapter 6 of the WA Retail Market Procedures deals with Compliance and Interpretation and places a number of obligations on AEMO. AEMO's role under Chapter 6 of the WA Retail Market Procedures includes:

- To create a Compliance Panel and support that panel¹.
- To make determinations on whether to refer Procedure compliance and interpretation matters to the Compliance Panel.

The Compliance Panel makes all decisions under Chapter 6, except that it may delegate authority to AEMO to make determinations on whether a Procedure breach is material².

PURPOSE

This report includes immaterial breaches identified in the last quarter, i.e. between June and August 2022. Breaches that have a material impact on market participants, the market as a whole, or end use customers are reported separately.

For WA gas retail market, any breaches that are referred to the Economic Regulation Authority (ERA) or have material impact on any other market participants, the market as a whole, or end use customers are reported separately and are included as a line item in this report for completeness.

VERSION CONTROL

Version	Release date	Changes
1.0	27 September 2022	Initial version

¹ The Compliance Panel has established the "WA Gas Retail Market Compliance Panel Guidelines" to set out its governance and administrative arrangements, as required by clause 338 of the Procedures. The WA Gas Retail Market Compliance Panel Guidelines are available on the AEMO website (www.aemo.com.au), and should be read in conjunction with the WA Gas Retail Market Compliance Guidelines.

² Clause 343(3) of the WA Retail Market Procedures.

QUARTERLY REPORT – IMMATERIAL BREACHES

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
Till present	SA	AEMO	3.3.2(d) of SA RMP	<p><u>Description</u></p> <p>During the gas retail market audit, AEMO identified a breach of clause 3.3.2(d) of SA RMP which requires AEMO to provide a report to all participants, shippers and transmission pipeline operators stating the number of days in the month in which estimated gate point metering data (GPMD) was provided within 15 business days after the end of each month. AEMO has not been providing such report to all participants, shippers and transmission pipeline operators.</p> <p><u>Cause</u></p> <p>AEMO believes the purpose of this requirement is for AEMO to know the number of days in a month the network operator has provided estimated GPMD and to follow up with the network operator if the network operator provided estimated GPMD for a large number of days in the month, and for the purpose of monitoring swing service in the SA gas retail market in the past (note: swing service does not exist in the SA gas retail market since the introduction of STTM in 2010).</p> <p><u>Actions</u></p> <p>AEMO will monitor the monthly internal report which has the number of estimated GPMD provided by the network operator for the month and for each network section. AEMO will follow up with the network operator when the number of estimated GMPD for the month is high.</p>	<p>Immaterial</p> <p>AEMO’s non-compliance with clause 3.3.2(d) of the SA RMP had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>AEMO sent an email to the GRCF on 29 June 2022 notifying the SA participants of this matter and requested participants to provide their feedback by 13 July. AEMO received feedback from APA and AGL:</p> <ul style="list-style-type: none"> • APA agrees that the report was only necessary back when swing service was part of the SA gas retail market. However since the implementation of the STTM in 2010, there is no swing service in the SA gas retail market and so clause

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				<p>AEMO proposes to remove clause 3.3.2(d) of the SA RMP. A new Gas Market Issue will be raised with the Gas Retail Market Forum (GRCF) which will detail the proposal to remove clause 3.3.2(d) of SA RMP, consultation process timeline and a target effective date. AEMO will continue to not be providing such report to all participants, shippers and transmission pipeline operators until the Procedures change takes effect.</p>	<p>3.3.2(d) can be removed from the SA RMP.</p> <ul style="list-style-type: none"> AGL has no concerns with the proposal to remove clause 3.3.2(d) of the SA RMP on the basis that AEMO monitors the number of estimated GPMD provided by the network operator.
July 2022 to present	SA	Australian Gas Networks Limited (AGN) (SA)	3.6.1(a)(i) and 3.6.1(b)(ii) of SA RMP	<p><u>Description</u></p> <p>AEMO performed monitoring of the performance of the provision of basic meter readings by the network operator in the SA gas retail market on a monthly basis. AEMO noticed a significant decline in the performance for the month of July 2022 and contacted AGN (SA) to investigate and advise.</p> <p>AGN (SA) advised AEMO, to reduce the occurrence of estimated meter readings, AGN (SA) has allowed the service provider to read meters a day before the scheduled date ("-1 read"). The focus was in areas and circumstances where, if meter readers only had the scheduled day to read, there was a strong possibility of bulk estimations due to unpredictable weather events and resourcing concerns. This practice has been in place since April 2020.</p>	<p>Immaterial</p> <p>AGN (SA)'s non-compliance with clauses 3.6.1(a)(i) and 3.6.1(b)(ii) of the SA RMP from July 2022 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>AGN (SA) has had many discussions with retailers around reading prior to the scheduled read date. All retailers are happy to receive metering readings prior to the scheduled read date if the alternative is to receive an</p>

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				<p>The reliance on “-1 reads” increased since the onset of the COVID-19 pandemic as AGN (SA) navigated through SA Government laws around close contacts and isolation.</p> <p>In July 2022, AGN (SA) began investigating whether they could allow the service provider to start reading -2 day (extending the read window by a further day) in response to resourcing constraints with meter readers, and in an attempt to avoid the generation of bulk estimations to customers.</p> <p>As part of this decision, the obligations in the SA RMP were assessed and it was at this time that AGN (SA) started to question whether their previous interpretation, in regard to reading -1 day, of the obligations in the SA RMP was entirely correct. However, there was a miscommunication with the service provider and a number of routes were read -2 day. Once this came to AGN (SA) attention, AGN (SA) advised the service provider to cease this practice immediately until AGN (SA) was able to update their system to accept meter readings on the day they were actually read.</p> <p>Under the “-1 read” process, meter readings were delayed up to 7 hours. This increased to up to 31 hours maximum for the meter readings that the “-2 read” process applied.</p> <p>This caused a non-compliance with the SA RMP relating to the timely provision of metering data to the user and AEMO.</p> <p><u>Cause</u></p> <p>In April 2020 when AGN (SA) first allowed the service provider to “read -1”, it was identified that both AGN (SA)’s system and the service provider’s system were unable to process meter readings on the day of receiving the meter readings. Therefore, the</p>	<p>estimated meter reading (as this creates negative customer sentiment which results in an increase of customer complaints and inquiries). When the decision was made to move to “-2 reads” in July 2022, there was communication with the retailers.</p>

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				<p>operational decision was made to continue to allow the -1 day meter readings but for the service provider to return the meter readings on the scheduled day.</p> <p>AGN (SA) was of the understanding that they were abiding by the obligations in the SA RMP as they were receiving the meter readings on the scheduled day, meeting the expectation of returning the metering data by 5PM on the business day after the network operator receives the metering data (clause 3.6.1(a)(i)).</p> <p>When AGN (SA) started to investigate the possibility of reading -2, the investigations highlighted that their previous understanding of the requirements may not have been entirely correct.</p> <p><u>Actions</u></p> <p>AGN (SA) is working towards aligning AGN (SA) and the meter reader provider systems so that metering data can be sent as soon as meters are read.</p>	
October 2021 to 18 January 2022	VIC	Australian Gas Networks Limited (AGN)	2.1.5(a), 2.6.2(a) and 2.6.2(b) of VIC RMP	<p><u>Description</u></p> <p>AGN reported to AEMO regarding a short delay with provision of estimated meter readings to responsible market participants (FRO).</p> <p>During the period October 2021 to 18 January 2022, AGN via its contractor identified that approximately 8% of the read schedule experienced a short delay and was unable to provide estimated metering readings to the FRO and AEMO by 5PM on the second business day following the scheduled read as per the timeframe prescribed by clause 2.1.5(a), 2.6.2(a) and 2.6.2(b) of the VIC RMP.</p>	<p>Immaterial</p> <p>AGN's non-compliance with clauses 2.1.5(a), 2.6.2(a) and 2.6.2(b) of the VIC RMP between October 2021 and 18 January 2022 had no material impact on any other market participants, the market as a whole, or end use customers.</p>

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				<p>Actual or estimated meter readings for the impacted meters were provided to the market within seven days of the scheduled read date.</p> <p>This caused a non-compliance with the VIC RMP relating to the timely provision of estimated meter readings to the FRO and AEMO.</p> <p><u>Cause</u></p> <p>The investigation revealed a meter reading subcontractor was experiencing significant resourcing constraints due to COVID-19 impacts on staff. The introduction of the Victorian vaccination mandates in October 2021 exacerbated the issue. A decision was made in good faith to extend the meter read window to support provision of actual meter readings rather than estimated meter readings reflecting our understanding of customer billing preferences. Manual intervention was made to the expected meter read dates in turn preventing automatic estimated meter readings being provided to the market.</p> <p>The investigation also revealed that, notwithstanding early monitoring of the pandemic, declination of availability of resources escalated to a point where the large volume of actual meter readings would not be able to be conducted in the required timeframe. In reviewing the decision for the manual intervention, it was determined that this was an exception and there were no prior occurrences.</p> <p><u>Actions</u></p> <p>As a result of the investigation, the following remedial actions have been or are being implemented:</p>	<p>Enquiries confirmed that AGN's contractor engaged with retailers alerting them of the delayed provision of meter reading data, keeping them informed of the challenges being experienced, progress and resolution.</p> <p>With the easing of the vaccine mandates by the Victorian Government, additional resources, workforce capacity observed to be returning to pre-pandemic conditions and progress of remedial actions, meter reads are back on schedule. AGN continues to monitor the status of the corrective actions to prevent or mitigate re-occurrence.</p>

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				<ul style="list-style-type: none"> • A process for managing change within the meter read process inclusive of escalation to the relevant parties. • A requirement for reinforcing the provision of estimated meter readings to the market in the event of a significant disruption to the meter reading services with the business continuity procedures to be undertaken. • Investigate workforce planning activities for stronger rigor. 	
4 and 5 June 2022	QLD	AEMO	6.10.2(a) of QLD RMP	<p><u>Description</u></p> <p>On 4 and 5 June 2022, the provision of the network allocation daily (NAD) files for gas days 3 and 4 June for the QLD gas retail market to the STTM system were delayed by 7 hours 44 minutes on 4 June and 4 hours 34 minutes on 5 June.</p> <p>This caused a non-compliance with the QLD RMP relating to the timely provision of the NAD file to the STTM system.</p> <p><u>Cause</u></p> <p>The SSIS (SQL server integration services) platform used to transfer data between databases was stalled and had to be recovered on 4 and 5 June. The stalling was due to database corruption that was causing the database backup process to run indefinitely and take up the allocated CPU (central processing unit) for the server.</p> <p><u>Actions</u></p> <p>On 4 June, AEMO restored the service by restoring the SSIS database from backup files and re-triggered the failed jobs. The</p>	<p>Immaterial</p> <p>AEMO's non-compliance with clause 6.10.2(a) of the QLD RMP on 4 and 5 June 2022 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>AEMO does not run STTM daily prudential on weekends and public holidays.</p>

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				<p>jobs completed successfully and the QLD NAD file was generated at 6.14PM.</p> <p>On 5 Jun, AEMO restored the service by rebuilding the SSIS database as the backup was deemed to already have the corruption causing the repeated incident. AEMO re-triggered the failed jobs. The jobs completed successfully and the QLD NAD file was generated at 3.04PM.</p> <p>AEMO has applied monitoring on STTM company status history table to ensure the table is not empty to notify support staff of potential issue.</p> <p>AEMO will schedule SSIS database server health checks periodically to detect corruption issues.</p> <p>AEMO will investigate and resolve blockers to promptly restoring the SSIS Windows server.</p>	
14 August 2022	WA	ATCO Gas Australia Pty Ltd (ATCO)	152(1)(b), 171(2)(b) and 229(1) of WA RMP	<p><u>Description</u></p> <p>On 14 August 2022 ATCO failed to deliver to the market the gate point metering data (GPMD), the estimate of unaccounted for gas (UUAFG) and the heating value data (HHV) for gas day 13 August.</p> <p>This is a non-compliance with clauses 152(1)(b), 171(2)(b) and 229(1) of the WA RMP relating to timely provision of GPMD, UUAFG and HHV to the market.</p> <p>In the absence of actual HHV, ATCO's system generated estimates of consumption for interval metered sites and delivered the estimated metering data for the interval meters to AEMO and retailers within the required timelines.</p>	<p>Immaterial</p> <p>On 6 September 2022, AEMO requested participants to provide their feedback on this breach by 20 September.</p> <p>AEMO received feedback from AGL, Synergy and Kleenheat confirming no impact.</p> <p>After having regard to the other matters in clause 329(1) of the WA RMP, AEMO has determined that the breach was</p>

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				<p>On 14 Aug, WA gas retail market system (GRMS) used the hourly GPMD provided by the pipeline operator, the estimated UUAFG using like-day substitution by WA GRMS and estimated interval meter readings provided by ATCO to perform the calculations for gas day 13 Aug. On 15 Aug, AEMO received the actual data (GPMD, UUAFG and interval meter readings) from ATCO. User's withdrawals were re-calculated using the actual data received, and allocation and reconciliation were revised based on the updated user's withdrawals (as per normal process).</p> <p><u>Cause</u></p> <p>Upon investigation, ATCO identified the cause of this incident was due to a full virtual machine's (VM) network-attached storage (NAS) drive preventing the generation of metering data files as the pipeline operator data could not be loaded and processed in ATCO's system.</p> <p><u>Actions</u></p> <p>A post incident review has determined that while monitoring of the disk space is in place for the overall storage, this did not extend to the VM's NAS drive disk space. To ensure the issue does not reoccur, ATCO has:</p> <ul style="list-style-type: none"> • increased the VM's storage allocation; and • implemented alerts to enable low disk space monitoring in the NAS drive. 	<p>not material and resolved. AEMO to take no further action in relation to this matter.</p>
22 August 2022	NSW- ACT	AEMO	1.3.2 of NSW- ACT RMP	<p><u>Description</u></p>	<p>Immaterial</p> <p>AEMO's non-compliance with clause 1.3.2 of the NSW-ACT</p>

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				<p>On 22 August 2022, 1173 medium priority transaction acknowledgements breached the transaction acknowledgement time of 270 minutes by 17 hours and 1 minute.</p> <p>This is a breach of clause 1.3.2 of the NSW-ACT RMP. Clause 1.3.2 of the NSW-ACT RMP references the Gas Interface Protocol and section 2.5 of the "Participant Build Pack 3 FRC B2B System Specification" specifies that all medium priority transactions shall be acknowledged within 270 minutes.</p> <p><u>Cause</u></p> <p>On 23 August 2022 at 8.59AM AEST, AEMO identified transactions were not being processed. Upon investigation, AEMO identified an application error at the system level occurred on 22 August at 4.14PM resulted in the NSW delivery point registry (DPR) service stopped processing transactions.</p> <p><u>Actions</u></p> <p>On 23 August 2022, AEMO restarted the DPR service. At 9.14AM, aseXML messages were being processed and sent to market participants.</p> <p>AEMO will explore the implementation of an alert linked to either the processing of messages on the workflow message queues or the lapsed time between the receipt of a transaction and its acknowledgement.</p>	<p>RMP on 22 August 2022 had no material impact on any other market participants, the market as a whole, or end use customers.</p>