



Retail Energy Market Company

Apparent breach of Rules 197 and 178 of the Retail Market Rules by Perth Energy on gas day 23/05/16 and 24/05/2016

Overview:

High Swing Service volumes were detected for gas day 23/05/2016 and 24/05/2016. REMCo has investigated this matter and found that Perth Energy:

- For gas day 23/05/2016 has put in a users' pipeline nomination amount ("UPNA") on the Parmelia Pipeline for the South-Metro sub-network (1107) of 1.2 TJ, but its users' allocation instruction ("UAI") was 1,250 MJ, causing a 1.25 TJ Swing Service spike on 1107.
- For gas day 24/05/2016 has put in an UPNA on the Parmelia Pipeline for 1107 of 1.25 TJ, but its UAI was 1,250 MJ, causing a 1.25 TJ Swing Service spike on 1107.

These inputs have resulted in Swing Service spikes on 1107, and appear to be breaches of Rules 197 and 178 of the Retail Market Rules (the "Rules") by Perth Energy. Rules 197 and 178 read as follows:

197. User's pipeline nomination amount

- (1) For each *user* for each *gate point* for each *gas day*, a "**user's pipeline nomination amount**" is the sum of:
 - (a) the *user's amounts* of its *related shipper's nominations* for the *gate point* for the *gas day* (summed across all *related shippers* for the *gate point*) calculated under rule 196; and
 - (b) the *user's swing service repayment quantities* for the *gate point* for the *gas day* as notified by REMCo under rule 300(4) or rule 300D(1)(b) (whichever is applicable).

178. User to procure injections which match user's likely swing service repayment quantities and user's required withdrawals

A *user* must ensure that for each *sub-network* for each *gas day* it procures:

- (a) the *repayment* into the *sub-network* of the *user's swing service repayment quantities* for the *sub-network* for the *gas day*; and
- (b) the *injection* into the *sub-network* of an amount of gas equal to its good faith estimate as a *reasonable and prudent person* of its likely *user's required withdrawals* for the *sub-network* for the *gas day*.

Impact:

Perth's nominations appear to have resulted in a Swing Service spike of 1.25 TJ for gas days 23/05/2016 and 24/05/2016.

Resolution:

It appears that there was a transcription error in Perth Energy nominations when converting TJ to MJ as per REMCo's nomination requirements.

Proposed Further Actions:

Perth Energy has added further checks into its systems in order to ensure all nominations balance across all nomination platforms.

Invitation for submissions:

Before determining whether any further action is required, REMCo invites written submissions from participants as to:

- the effect that this incident has on their operations, and
- their view with regard to the determination, if any, REMCo should make under Rule 329 in respect of the apparent Rule breaches.

Submissions are requested by no later than 5pm (AEST) **Thursday 16 June 2016**. Submissions should be sent by e-mail to remco_administration@aemo.com.au.

Alternatively, submissions can be sent by post to REMCo at:

Chin Chan
Retail Energy Market Company Limited
C/- AEMO
GPO Box 2008
Melbourne
VIC 3001

If you have any questions regarding this matter, please contact Carol Poon on (03) 9609 8509.

Chin Chan
Group Manager – Market Management
Australian Energy Market Operator
(Acting as Agent for the Retail Energy Market Company Limited)
Phone: (03) 9609 8345
Email: chin.chan@aemo.com.au