



AEMO WA Compliance Quarterly Report: WA Gas Retail Market Procedures

PREPARED BY: MARKETS

Introduction

ROLE OF AEMO

Chapter 6 of the WA Retail Market Procedures (“Procedures”) deals with Compliance and Interpretation and places a number of obligations on AEMO. AEMO’s role under Chapter 6 of the Procedures includes:

- to create a Compliance Panel and support that panel¹; and
- 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 all the immaterial breaches identified in the last quarter, i.e. between July and September 2018. 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	12/10/2018	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 Procedures.

QUARTERLY REPORT – IMMATERIAL BREACHES

Date of breach	AEMO/Market Participant	Procedures clause	Summary	Decision
16/07/2018	Alinta Sales Pty Ltd	Clause 79(1) and 349 of the WA Retail Market Procedures (RMP)	<p><u>Description</u></p> <p>On 16/07/2018, Alinta Sales Pty Ltd (Alinta Energy) experienced a technical issue whereby calls with customers between 8:06am and 10:08am WST were not recorded. As such, Alinta Energy was not able to create a record of explicit informed consent (EIC) obtained during this timeframe.</p> <p>There were 45 customers impacted by the technical issue – 5 customers requesting transfers from other users to Alinta Energy and 40 customers seeking move in transfers.</p> <p>This appears to be a breach of clause 79(1) and 349 of the WA RMP by Alinta Energy.</p> <p>Alinta Energy believes that there were no adverse impacts on any other market participants.</p> <p><u>Cause</u></p> <p>This issue was caused by a system outage whereby in-bound and out-bound calls to Alinta Energy were not recorded.</p> <p><u>Actions</u></p> <p>The technical issue was resolved and rectified shortly after 10am WST on 16/07/2018.</p>	<p>Immaterial</p> <p>On 14/08/2018, AEMO requested participants to provide their feedback on this breach by 28/08/2018.</p> <p>AEMO received one feedback from AGL confirming there was 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 not material and resolved. AEMO to take no further action in relation to this matter.</p>

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			<p>System technicians have been re-trained to ensure adequate back-up operations commence in the event of system outages.</p> <p>Alinta Energy is in the process of re-contacting each of the customers by phone to create a record of EIC in a form capable of examination and audit as required under the WA RMP. To date, Alinta Energy has not experienced any issues when re-contacting the customers.</p>	
<p>08/12/2017, 18/12/2017 and 15/02/2018</p>	<p>AGL Sales Pty Ltd</p>	<p>Clause 72 and 79 of the WA RMP</p>	<p><u>Description</u></p> <p>AGL Sales Pty Ltd (AGL) identified three instances where customer sites were transferred in error to AGL between December 2017 and February 2018.</p> <p>Customer 1</p> <ul style="list-style-type: none"> • A customer site was transferred to AGL in error due to an incorrect street number being entered by an agent when the sale was processed. The customer site was transferred to AGL on 08/12/2017. Once the error was identified, AGL acted immediately to cancel the transfer and return the customer site back to the original retailer as of the date it was won in error. The transaction completed on 21/02/2018. • The error was identified two months after the transfer was completed when the customer who was wrongfully transferred to AGL contacted AGL. Following the advice, AGL took immediate steps to transfer this site back to its original retailer in accordance with the won in error (WIE) process. 	<p>Immaterial</p> <p>On 21/09/2018, AEMO requested participants to provide their feedback on this breach by 05/10/2018.</p> <p>No feedback was received.</p> <p>After having regard to the other matters in clause 329(1) of the WA RMP, AEMO has determined that the breach was not material and resolved. AEMO to take no further action in relation to this matter.</p>

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			<ul style="list-style-type: none"> AGL believes that the impact to the customer was low and no other retailers were affected. The customer accepted the resolution offered by AGL and the customer was returned to its original retailer in accordance with the WIE process. <p>Customer 2</p> <ul style="list-style-type: none"> A customer site was transferred in error to AGL due to a MIRN number not being updated correctly in AGL's systems by an agent during a sign-up process resulting in an incorrect customer site transferring to AGL on 18/12/17. Once AGL identified the error, the transfer was immediately cancelled and the site returned to the original retailer as of the date it was won in error. The transaction completed on 17/05/2018. The error was identified approximately five months after the transfer was completed when the customer contacted AGL to advise of the error in relation to their account. Following the advice, AGL took immediate steps to transfer the customer site back to its original retailer in accordance with the WIE process. AGL believes that the impact to the customer was low and no other retailers were affected. The customer accepted the resolution offered by AGL and the customer was returned to its original retailer in accordance with the WIE process. <p>Customer 3</p>	

Date of breach	AEMO/Market Participant	Procedures clause	Summary	Decision
			<ul style="list-style-type: none"> • A customer was signed up without explicit informed consent (EIC) via a telephony sale on 22/01/2018. Whilst the agent followed the EIC scripting during the call, the customer did not however expressly provide their consent to sign up to AGL. The customer was subsequently transferred to AGL on 15/02/2018. Once the error was identified, AGL acted to cancel the transfer and return the site back to the original retailer as of the date it was won in error. The transaction completed on 10/04/2018. For the period AGL was the financially responsible retailer (FRO), any bills issued to the customer during this period were cancelled. • AGL was notified of the error when the customer contacted AGL approximately 2 months after the error occurred. Following the advice, AGL took immediate steps to transfer the customer back to its original retailer once the error was identified. • AGL believes that there was no detriment to the customer and the matter was closed out appropriately with any bills issued being cancelled. <p>This appears to be a breach of clause 72 and 79 of the WA RMP by AGL.</p> <p>AGL noted the delay in reporting these breaches as each of these instances were not straight forward to investigate nor determine the root cause of the breach. The investigation took considerable time in communicating between different business units and extracting the</p>	

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			<p>appropriate information to make this determination. Moving forward, these investigations will be handled by a team and AGL is confident that these issues will be properly investigated with information provided in a timely manner allowing prompt reporting where required.</p> <p><u>Cause</u></p> <p>The three incidents were deemed to be agent error.</p> <p><u>Actions</u></p> <p>AGL has taken the following actions:</p> <ul style="list-style-type: none"> • Investigated sales scripting and processes to confirm the processes are documented correctly. • The three incidents were flagged with the relevant team managers and operational leads to ensure feedback was provided to relevant agents and teams for ongoing development and training. • AGL is committed to ensuring related content is covered in agent onboarding and refresher training sessions. • Regular compliance coaching and annual refresher training is delivered to all call centre staff. 	