

IMPACT & IMPLEMENTATION REPORT (IIR)

Summary Section

Issue number	IN005/18		
Impacted jurisdiction(s)	South Australia (SA), Queensland (QLD), Victoria (VIC), New South Wales/Australian Capital Territory (NSW/ACT)		
Proponent	Mario Iogha Mark Riley	Company	Origin Energy AGL
Affected gas market(s)	NSW and ACT, Victoria	Consultation process (ordinary or expedited)	Ordinary
Industry consultative forum(s) used	GRCF	Date industry consultative forum(s) consultation concluded	Friday, 15 January 2021
Short description of change(s)	Estimated Consumption after meter removal		
Procedure(s) or documentation impacted	Participant Build Pack 1 (PBP1) – Process Flow Diagrams – V3.6 NSW/ACT PBP5 – Process Flow Diagrams – V3.0 FRC B2B Process Flow Diagrams – V3.6		
Summary of the change(s)	Amend PBP1 – Process Flow Diagrams, PBP5 – Process Flow Diagrams and FRC B2B Process Flow Diagrams to add a new process diagram ‘Meter Not on Premises’ that can be followed across all gas networks for estimating gas consumption due to non-existence of metering assets.		
IIR prepared by	AEMO	Approved by	Michelle Norris
Date IIR published	1 February 2021	Date consultation concludes	1 March 2021
Email address for responses	grcf@aemo.com.au		
Other key contact information			



IMPACT & IMPLEMENTATION REPORT

CRITICAL EXAMINATION OF PROPOSAL

1. DESCRIPTION OF ISSUE

Background

Across all gas networks, meter readers or crews have indicated instances where there is no meter at the premises or where they are unable to locate the meter. Often it is not known why or who has removed the meter, or if that removal is permanent or temporary. For example, the meter may have been temporarily or illegally removed or stolen. Despite the frequency of this type of event, there is no clear or consistent process for the industry to manage the situation when a meter is suggested to have been illegally removed.

Market Procedures do include the provision for estimated reading with Reason type, "Meter Removed", which is used if the meter reader cannot locate the meter and believes it has been removed. However, Market Procedures do not provide guidance to address and reconcile the issue of the missing meter itself, or to outline the responsibilities and actions between the Network Operator and financially responsible Retailer.

In most instances, it is appropriate that the Network Operator will estimate consumption on the first visit on which they discover that the meter is missing. However, it is not appropriate to continue estimating consumption over multiple billing periods with the estimated reason provided as "Meter Removed" or "Unable to Locate" unless steps are taken to rectify the issue of the removed or unlocated metering asset. These steps are generally only taken as a result of a billing dispute or network periodic reconciliation, at which point the Network Operator requests the Retailer to raise a relevant B2B transaction (Abolishment) to align Network Operator and market systems.

Under current processes, the Retailer is then charged the abolishment fee and estimated consumption, although the site is often associated with no existing customer.

Analysis has revealed that approximately seventy percent of sites have either no gas customer at the site or there is a tenant who is unaware of any changes to the site. Often, Retailers have sent a final bill as per the customer's request and hold no record of an active customer setup at site. Given this, the meter removal has likely occurred after the previous customer has been sent the final bill.

Proposal

This proposed change involves documenting a clear and consistent business process that can be followed across all (east coast) gas networks for estimating gas consumption due to non-existence of metering assets.

In summary, the change proposes that when a Network Operator has identified the non-existence of a meter, it will investigate the site, make it safe, and liaise with the Retailer to either de-commission the Meter Installation Reference Number (MIRN) or take alternative appropriate steps according to the business process.

These changes contribute to AEMO's and industry's long-term aim to increase consistency between the regulatory frameworks for all retail gas markets and create efficiency for those participants operating in multiple retail gas markets.

2. REFERENCE DOCUMENTATION

Participant Build Pack 1 (PBP1) – Process Flow Diagrams – V3.6



Gas Interface Protocol (Victoria) – V23.0

NSW/ACT PBP5 – Process Flow Diagrams – V3.0

Gas Interface Protocol NSW-ACT – V10.0

Information Pack Usage Guidelines - V8.2

3. OVERVIEW OF CHANGES

Proposed amendments to PBP1 – Process Flow Diagrams, PBP5 – Process Flow Diagrams and FRC B2B Process Flow Diagrams are as follows:

- Add a new process diagram 'Meter Not on Premises' that can be followed across all gas networks for estimating gas consumption due to non-existence of metering assets.

4. OVERALL COST AND BENEFITS

This initiative will require the minor change of adding a new process diagram to the build pack. There are no anticipated system changes for AEMO or participants as a result of this proposed change.

Implementation of this initiative is expected to deliver the following benefits:

- Market Status of MIRNs are aligned to physical status.
- Improved accuracy of wholesale and retail charging.
- Correct network charging of decommissioned MIRNs.
- Reduced customer and ombudsman complaints, through the alignment and integrity of market and participant systems with timely and accurate site information.
- Consistent and clear market processes across all jurisdictions with a clear line of shared responsibility between Network Operator and Retailer.
- Establishment of a process that supports the efficient operation and use of gas that does not have negative impacts to consumers or market participants.

5. MAGNITUDE OF THE CHANGES

AEMO considers the order of magnitude of this change is 'non-material'.

6. AEMO'S PRELIMINARY ASSESSMENT OF THE PROPOSAL'S COMPLIANCE WITH SECTION 135EB:

AEMO's view is that the proposed change is consistent with the National Gas Law (NGL) and the National Gas Rules (NGR).

National Gas Objective: *"to promote efficient investment in, and efficient operation and use of, natural gas services for the long-term interests of consumers of natural gas with respect to price, quality, safety, reliability and security of supply of natural gas."*

It is AEMO's view that the benefits from proposed changes described in the IIR promotes efficient operation of natural gas services for the long-term interests of consumers with respect to safety, reliability and security of supply of natural gas.

AEMO's view is that the proposed change is not in conflict with existing Access Arrangements.



7. CONSULTATION FORUM OUTCOMES

AEMO received a total of seven submissions to the Proposed Procedure Change (PPC), those being from AGL, AGN, Alinta, Multinet Gas Networks, Origin Energy, Red/Lumo and Simply Energy. All submissions supported the proposed changes in principle, and there were no dissenting views. Alinta, Red/Lumo and Simply Energy's feedback suggested further changes. AEMO has made changes where they add further clarity. Please refer to Appendix C for the submissions and AEMO's response to them.



IMPACT & IMPLEMENTATION REPORT – RECOMMENDATION(S)

8. SHOULD THE PROPOSED PROCEDURES BE MADE)?

AEMO recommends making the changes proposed in Attachment A.

9. PROPOSED TIMELINES

Subject to all necessary approvals, AEMO is targeting to implement this initiative in Q2 2021. In order to achieve this timeline, AEMO proposes the following key milestones:

- Issue IIR for consultation on 1 February 2021.
- Submissions on IIR close 1 March 2021.
- AEMO decision on 18 March 2021.
- Effective date – to be advised.

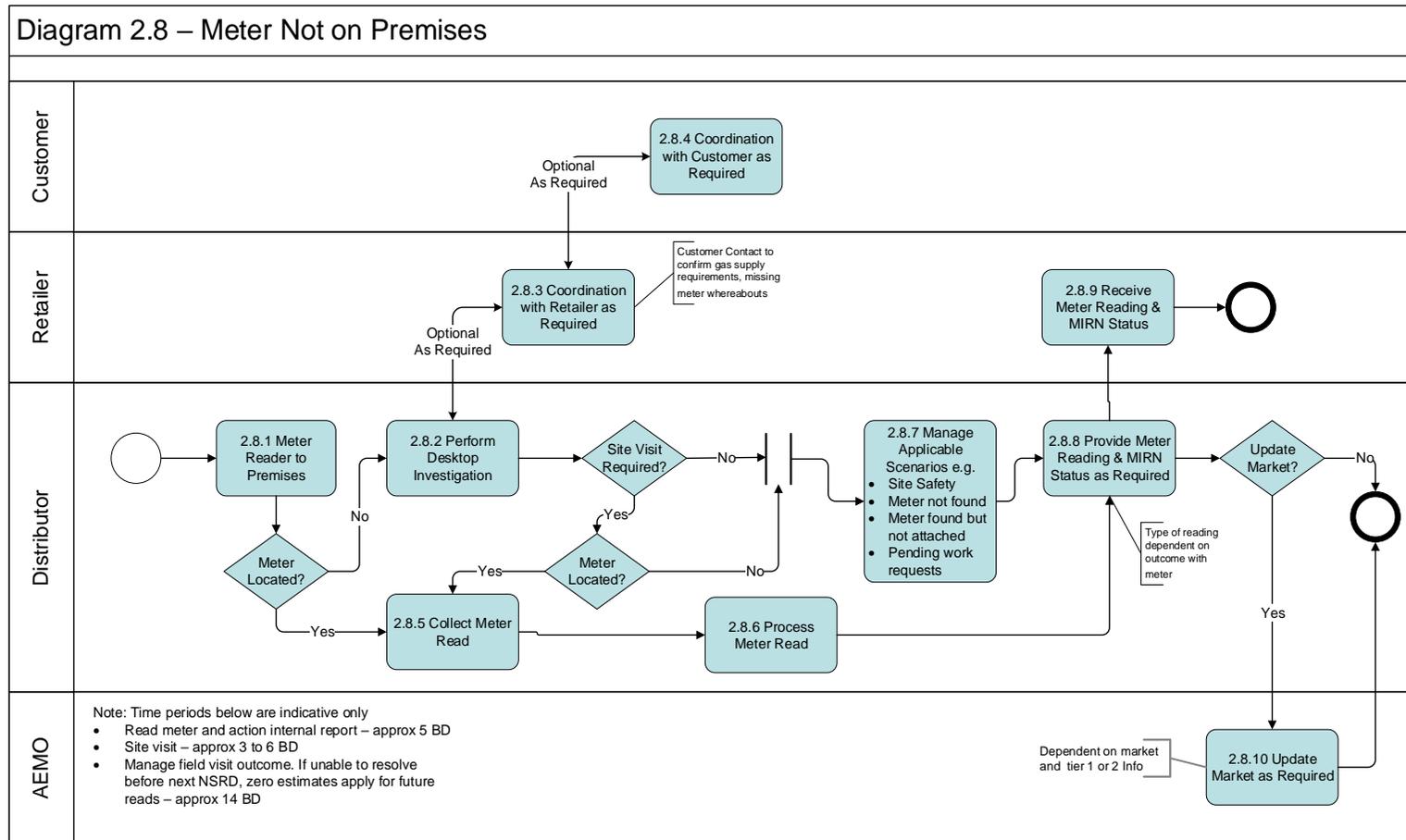
ATTACHMENT A – DOCUMENTATION CHANGES (SEE SECTION 2)

Blue underline represents additions Red and strikeout represents deletions

Post PPC numbering has been added and an end point added to step 2.8.9.

- PBP1 – Process Flow Diagrams

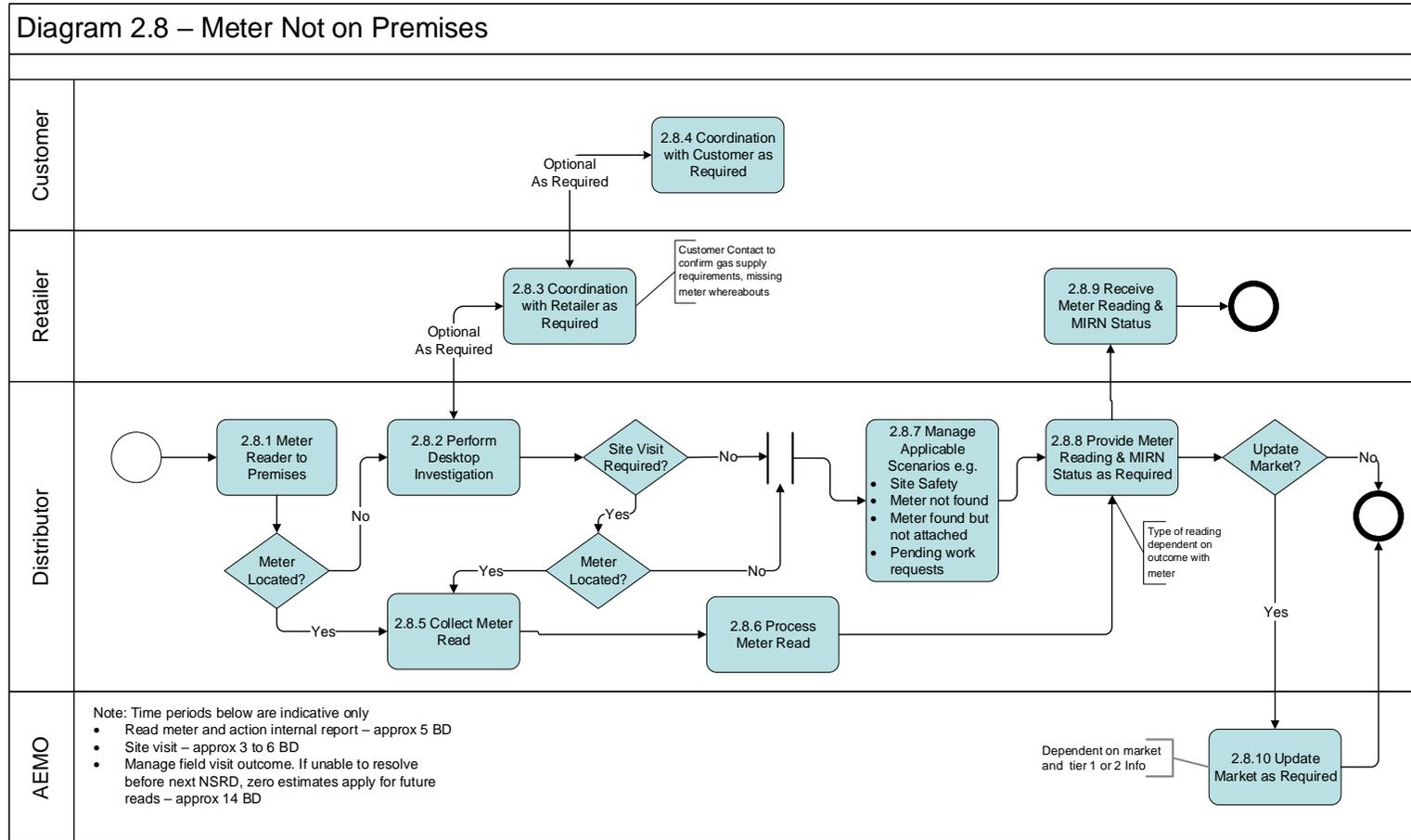
9.1. DIAGRAM 2.8 – METER NOT ON PREMISES



- NSW/ACT PBP5 – Process Flow Diagrams

Post PPC numbering has been added and an end point added to step 2.8.9.

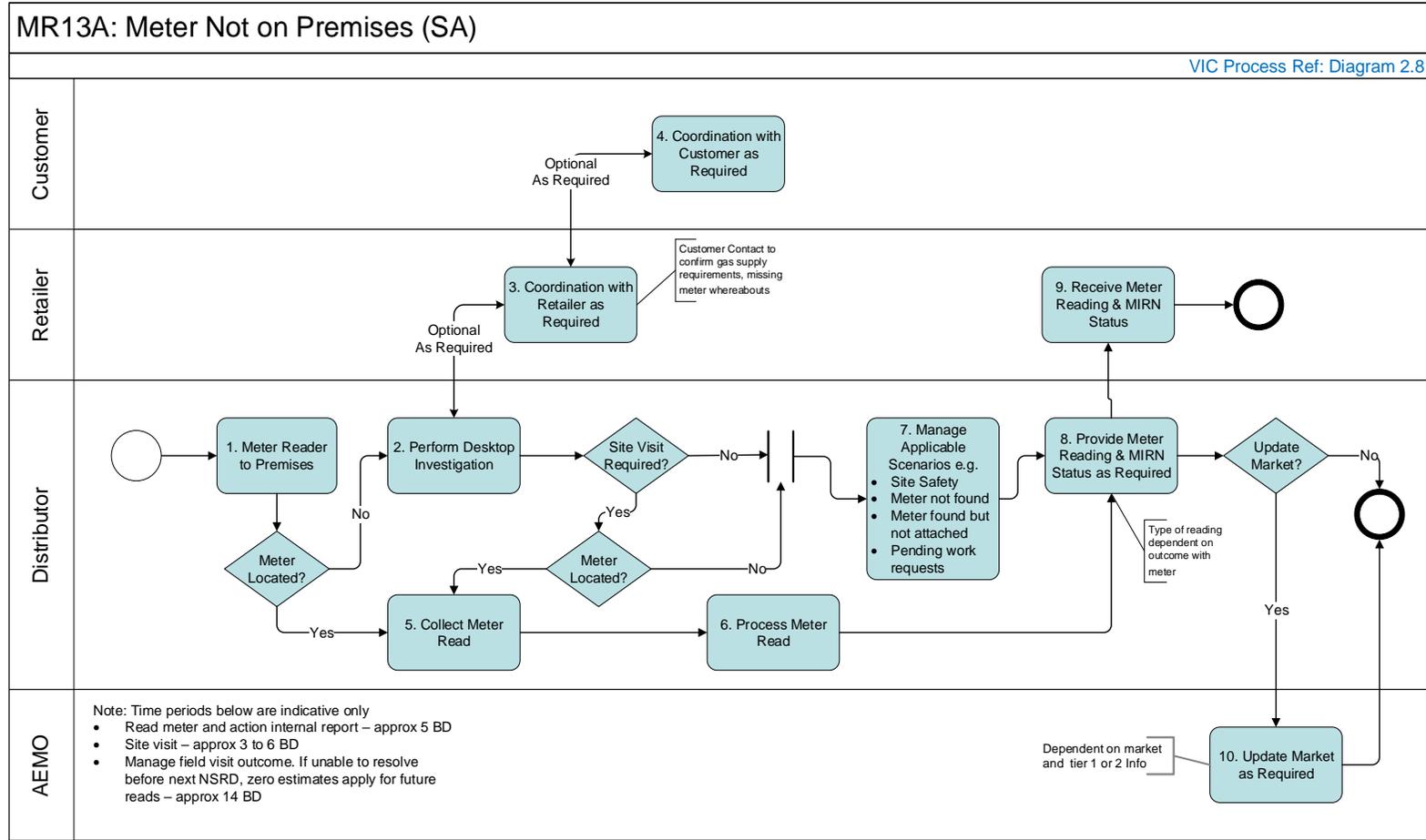
9.2. DIAGRAM 2.8 – METER NOT ON PREMISES



- FRC B2B Process Flow Diagrams

Post PPC numbering has been added and an end point added to step 9.

9.3. Process Flow: MR13A: METER NOT ON PREMISES





ATTACHMENT B – IIR RESPONSE TEMPLATE

The IIR response template has been attached separately to this document. There are two sections in the template:

- Section 1 seeks feedback on AEMO's examination of the proposed changes.
- Section 2 seeks feedback on the marked-up changes to the Technical Protocol described in Attachment A.

Anyone wishing to make a submission to this IIR consultation are to use this response template.

Submissions close 23 February 2021 and should be emailed to grcf@aemo.com.au

ATTACHMENT C – PROPOSED PROCEDURE CHANGE FEEDBACK

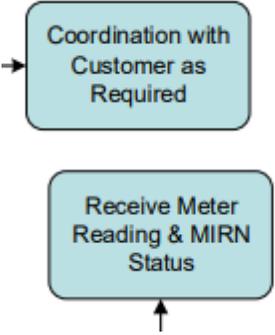
Section 1 - General Comments on the Proposed Procedure Change

Topic	Ref #	Company	Response	AEMO Response
<p>Sections 1 to 9 of the PPC sets out details of the proposal.</p> <p>Does your organisation supports AEMO' s assessment of the proposal?</p> <p>If no, please specify areas in which your organisation disputes AEMO's assessment (include PPC section reference number) of the proposal and include information that supports your organisation rational why you do not support AEMO's assessment.</p>	1	AGL	AGL agrees that AEMO has assessed the proposal appropriately.	AEMO notes AGL's support.
	2	AGN	AGN supports the proposal. The proposed Process Flow Diagrams will cater for the existing national APA process for the AGN and Allgas networks, under which all instances of meters missing or unable to be located by the meter reader are investigated promptly, with actions initiated to update the meter status ASAP.	AEMO notes AGN's support.
	3	Origin Energy	. No further comment to add to the PPC.	AEMO notes Origin Energy's response.
	4	Multinet	Yes Multinet Gas Networks support the proposal	AEMO notes Multinet Gas Network's support.
	5	Alinta	Alinta Energy supports AEMO's assessment of the proposal.	AEMO notes Alinta's support.
	6	Simply Energy	Simply Energy fully supports the proposed change to document clear and consistent business process (with SLAs) that can be followed across all gas networks for estimating gas consumption due to non-existence of metering assets. Simply Energy also supports the inclusion of 'Meter Not on Premises' process diagrams build packs and SA FRC, however Simply Energy suggests removal of the word 'approx' from time period dot points, and replace it with 'within' or 'between' as appropriate, considering these are indicative in nature and not enforceable. These timeframes should be followed as best endeavors to ensure the benefits mentioned in section 6 are fully met.	AEMO notes Simply Energy's support. AEMO notes that the process diagrams were agreed during the pre-consultation stage and intends the retain the wording in the dot points.
	7	Red/Lumo	Red Energy and Lumo Energy (Red and Lumo) support the assessment of the proposal from AEMO and agree that this proposal provides benefits to market participants, and therefore consumers. While Red and Lumo support the proposal, we are concerned that by documenting the process only in Participant Build Pack 1 (PB1) fails to put any obligations on retailers or networks to follow this process diagram. In order to address this, we have provided some suggested amendments to the RMP and other parts of the Participant Build Pack for AEMO's consideration. We consider that these amendments are in alignment with the direction of AEMO and consistent with the approach agreed by the GRCF to implementing	AEMO notes Red/Lumo's support. AEMO does not agree with including the obligation in the RMP as the process flow diagrams is an artefact prescribed in the GIP. As an example, clause 1.2.4 of the VIC RMP states ' AEMO and each Market Participant, Distributor and transmission system Service Provider must comply with, and is bound by, the Gas Interface Protocol in respect of the provision of information, giving of notice,



			<p>a consistent approach across all participants. We note that our amendments proposed do not in any way alter systems, but just allow the new process flows to be implementable by participants.</p>	<p>delivery of notices or documents and making of requests, and the receipt of information, notice, notices, documents or requests, as contemplated by these <i>Procedures</i>'. Noting clause 1.2.4, if any participant fails to follow the process diagram then they are in breach of the procedures. Also see AEMO response in ref #10, 13 and 17.</p>
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Section 2 - Feedback on the documentation changes in the Attachments of the PPC.

PBP1 – Process Flow Diagrams					
Ref #	Company	RMP Clause #	Issue / Comment	Proposed text Red strikethrough means delete and <u>blue underline</u> means insert	AEMO Response (AEMO only)
8	AGL		No further comment AGL believes that the process documented is sufficiently flexible to allow for variations in DB processes.		AEMO notes AGL's support.
9	Simply Energy		Editorial change:  These two activities appear as floating boxes and should be connected to an 'end' point to complete the flow.		AEMO agrees with adding an end point to the step 'Receive Meter Reading... ' as it adds further clarity. AEMO does not agree with adding an end point to the other process step 'Coordination with ... ' as it is bi-directional flow with another step.
10	Red/Lumo	RMP VIC & RMP QLD 2.4.2(a)	In order for the PBP1 process flow to work, we recommend removing the words "to which a meter relates" from the RMP. As in these scenarios,	(a) The Retailer who is the FRO for a distribution supply point to which a meter relates may, at any time, request a Distributor who has undertaken an estimated meter	AEMO does not agree with the proposed change. The Retailer can

			retailers who wish to request for a revised estimation to occur in line with type 3 of the approved estimation methodology (as this scenario isn't covered in type 1 or 2) will be precluded from doing so, as there is no meter to which the estimation relates to.	reading in relation to that <u>distribution supply point</u> meter for the purposes of these Procedures to change that estimate. The Distributor may change that estimate if it reasonably considers the revised estimate to be more accurate.	request verification of the estimation under clause 2.7.1 of the VIC RMP.
11	Red/Lumo	PBP1 Process Flow Table of Transactions v3.6	We recommend that AEMO review and amend Ref 51A in the table of transactions to reference the new process flows that are being added. Also we recommend that AEMO add a comment into the comments field in line with the proposed text.	Where there is a missing meter, retailers and distributors to follow the process outlined in diagram 2.8	AEMO notes Red/Lumo's comment. AEMO does not agree with this change as per response in ref#7.
12	Red/Lumo	Participant Build Pack 1 Process Flow Table of Transactions v3.6	We recommend that AEMO review and amend the "Process Flows Tables" tab within PBP1 Process Flow of transactions to reference the new process flows that are being added into the Process Map ID column.	Where there is a requirement to reflect the new processes.	See AEMO's response in ref # 11

NSW/ACT PBP5 – Process Flow Diagrams

Ref #	Company	RMP Clause #	Issue / Comment	Proposed text Red strikeout means delete and <u>blue underline</u> means insert	AEMO Response (AEMO only)
13	Red/Lumo	RMP NSW & ACT 3.3.2(a)	In order for the process flow to work, we recommend removing the words "to which a meter relates" from the RMP. As in these scenarios, retailers who wish to request for a revised estimation to occur in line with type 3 of the approved estimation methodology for gas meters (as this scenario isn't covered in type 1 or 2) will be precluded from doing so, as there is no meter to which the estimation relates to.	3.3.2 Changes to Estimates (a) The Retailer who is the FRO for a delivery point to which a meter relates may, at any time, request a Network Operator who has undertaken an estimated meter reading in relation to that <u>delivery point</u> meter for the purposes of these Procedures to change that estimate.	AEMO does not agree with the proposed change. The Retailer can request verification of the estimation under clause 3.7.2 of the NSW/ACT RMP.

				The Network Operator may change that estimate if it reasonably considers the revised estimate to be more accurate.	
14	Red/Lum o	Proposed Procedure Change 4.15 Process Flow:MR13A Meter not on premises Diagram 2.8	The third swimlane is labelled 'Distributor'. However, in New South Wales the correct term in the RMP is 'Network Operator'.	Where there is reference to an incorrect term, correct.	AEMO notes that the term 'Distributor' has been used in all process flows and intends to retain it. AEMO has added a new issue (IN004/21) to the Retail Market Change / Issue register to use the correct terminology for the jurisdiction.
15	Red/Lum o	Proposed Procedure Change 4.15 Process Flow:MR13A Meter not on premises Diagram 2.8	The second swimlane is labelled 'Retailer'. However, in New South Wales the correct term in the RMP is 'User'. This also aligns with other process maps contained in FRC B2B Process Flows for the SA and WA Gas Retail Markets.	Where there is reference to an incorrect term, correct.	See AEMO's response for Ref #14.
16	Red/Lum o	Proposed Procedure Change 4.15 Process Flow:MR13A Meter not on premises MR13A	The third swimlane is labelled 'Distributor'. However, in South Australia the correct term in the RMP is 'Network'. This also aligns with other process maps contained in FRC B2B Process Flows for the SA and WA Gas Retail Markets.	Where there is reference to an incorrect term, correct.	See AEMO's response Ref #14

FRC B2B Process Flow Diagrams

Ref #	Company	RMP Clause #	Issue / Comment	Proposed text Red strikeout means delete and <u>blue underline</u> means insert	AEMO Response (AEMO only)
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17	Red/Lumo	RMP SA 3.5.3	<p>In order for the process flow to work, we recommend amending the words in the RMP.</p> <p>As in these scenarios, retailers who wish to request for a revised estimation to occur will be precluded from doing so, as there is only the available option for the distributor (in this case network operator) to provide a substitute rather than another estimate.</p>	<p>3.5.3. Estimated meter readings</p> <p>(a) A Network Operator must calculate an estimated meter reading in accordance with an approved estimation methodology if any one or more of the following applies in relation to a scheduled meter reading:</p> <ul style="list-style-type: none"> (i) the Network Operator has not obtained an actual meter reading for the delivery point since the previous meter reading of the delivery point; or (ii) the Network Operator is unable to validate an actual meter reading; or (iii) the Network Operator otherwise suspects an error in the actual meter reading, the heating value or other associated data. <p>(b) If the Network Operator calculates the consumed energy for a delivery point based on an estimated meter reading, then:</p> <ul style="list-style-type: none"> (i) the Network Operator, acting reasonably, may replace the estimated meter reading with: <ul style="list-style-type: none"> (A) a substituted meter reading; (B) a Customer-own read; or (C) if the Network Operator reasonably determines that it has grounds for calculating a more accurate estimated meter reading — the further estimated meter reading; and (ii) for the purposes of paragraph (b)(i)(A) or paragraph (b)(i)(C), the Network Operator must consider any reasonable request from a current User for an estimated meter reading to be changed. 	<p>AEMO notes that the RMP change proposed by Red/Lumo does not reflect the proposed process diagram 'Meter not on Premises'. See AEMO's response for ref# 10.</p>
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18	Red/Lum o	Proposed Procedure Change 4.15 Process Flow:MR13A Meter not on premises MR13A	The second swimlane is labelled 'Retailer'. However, in South Australia the correct term in the RMP is 'User', 'All Users' or 'Current User'. This also aligns with other process maps contained in FRC B2B Process Flows for the SA and WA Gas Retail Markets	Where there is reference to an incorrect term, correct.	See AEMO's response in ref # 14
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