

INTERPRETING RETAIL TRANSFER STATISTICAL DATA

PREPARED BY: Metering & Settlements
DOCUMENT NO: N/A
VERSION NO: 4.2
PREPARED FOR: National Electricity Market
EFFECTIVE DATE: March 2011

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Version Control

VERSION	DATE	DETAILS
1.0	Unkown	Initial Draft
2.0	November 2007	Update
3.0	September 2008	Update
4.0	June 2009	Updated to include release of new Statistics based at company level
4.1	August 2009	Minor updates to reflect the change in governance from NEMMCO to AEMO. No content change
4.2	March 2011	Correct spelling error in heading for Section 3

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1. INTERPRETING AEMO'S RETAIL TRANSFER STATISTICAL DATA

Most consumers of electricity in Australia are able to choose the retailer from which they buy their electricity. In Victoria, New South Wales, South Australia, Queensland and the ACT, all consumers can choose their retailer. In Tasmania, the largest customers are also able to choose their retailer.

At the request of participating jurisdictions, AEMO publishes on its website (www.aemo.com.au) statistics which track consumer transfers from one retailer to another. This document briefly outlines the main retail transfer statistics that are published and contains information to help you to interpret them so you can answer questions such as "How many consumers have transferred?"

Firstly, though, let's talk about the basics ... You will find it easier to interpret the statistics if you are familiar with these terms.

NMI Classification (CLASS)

Each connection point, which is uniquely identified by a National Metering Identifier (NMI), has a NMI classification. Connection points belonging to end-use consumers are classified as **SMALL** or **LARGE** based on the consumer's annual consumption. **SMALL** predominantly means the annual consumption is < 160MWh¹ (Queensland < 100MWh). **LARGE** means it's at least 160MWh per year, (Queensland > 100MWh). Domestic premises and most small businesses are classified as **SMALL**. **LARGE** consumers include smelters, large factories, and big commercial industries.

The MSATS system, from where these statistics are collected, also has a small number of non-retail connection points which are required to settle the wholesale market. These have NMI classifications such as **WHOLESALE**, **INTERCON** and **GENERATOR**.

Some statistics count all the connection points, including the wholesale ones, and others just count retail connection points. The names of the statistics that only count retail connection points (i.e. those where the NMI classification is **SMALL** or **LARGE**) all begin with the prefix **CON_**.

Tier

AEMO also classifies each connection point according to its tier status. Each connection point is classified as 1st tier or 2nd tier. This information can also provide useful information for anyone interested in retail transfers.

2nd tier connection points are those where the consumer's retailer is a retailer other than the Local Retailer. Generally the Local Retailer was the franchise retailer prior to the introduction of competition, with the exception of Queensland where the situation is somewhat different for the **ENERGEX** distribution network. Any connection point that is 2nd tier is one where the consumer has deliberately chosen and then been transferred to another retailer again, with the exception of Queensland where a different situation applies for the **ENERGEX** distribution network.

1st tier connection points are those where the consumer's retailer is the Local Retailer who was generally the franchise retailer prior to the introduction of competition, with the exception of Queensland where a different situation applies for the **ENERGEX** distribution network. If a connection point is 1st tier, the consumer has either taken no action since the introduction of competition and may be still on a government regulated 'safety net' tariff or has specifically entered into a contract with that retailer as their retailer of choice. Sometimes, for example, a consumer might switch to a different retailer then, when the contract with that retailer expires, deliberately choose to transfer back, under a contract, to their original retailer. MSATS does not differentiate between these different types of 1st tier consumers because this information is not held by AEMO.

¹ The definition of "SMALL" NMI classification for each jurisdiction is shown in the "MSATS Procedures: CATS Procedures Principles and Obligations" document located on the AEMO website.

In Queensland, all consumer connection points physically located in the ENERGEX distribution network have a 'Local Retailer' of Sun Retail, this is a consequence of how the bulk distribution connection NMI's are settled. The Queensland Government sale of both Sun Retail and Powerdirect Australia (formerly part of Ergon Energy Retail) created a split of the total consumers in the ENERGEX distribution Network, of these, approx 400,000 consumers in the ENERGEX distribution network were transferred to Powerdirect Australia and subsequently sold to AGL, in early 2007

At the commencement of FRC on 01/07/2007, these 400,000 sites became 2nd tier in MSATS, however one can say that their franchise retailer was AGL Sales QLD Electricity as they were identified as such prior to the commencement of FRC but the Local Retailer for these NMI's is still Sun Retail.

In Progress and Completed transactions

AEMO counts two types of transactions:

- ➔ Transfers that are in progress (**INP**) (likely to happen in the near term). It is possible that a small number of in progress transfers will never be completed.
- ➔ Transfers that have been confirmed and have completed, and hence the site has transferred to another retailer, are called completed (**COM**).

Statistics Transactions Notes

The numbers of transferred consumers reported in these statistics represent the number of completed change requests in MSATS for a change of retailer or to create a new second tier connection point.

The statistics do not necessarily indicate a churn from one company to another as they are dependent on the number of participant ids that a company has in MSATS.

Some of these statistic items do include transfers between participants ids that are owned by the same company.

A new consumer transfer statistic is used for transfer data published on the website from 1 June 2009 (i.e. they are included in the May 2009 report. Note that in the May 2009 report, the historical values have been recalculated from 1 July 2007 using the new statistic). For the new statistic, a transfer is defined as a change in Financially Responsible Market Participant (FRMP) where the previous FRMP belongs to a different company or corporation (if participants have requested additional participant IDs across different Company IDs be grouped together). Therefore transfers between different Participant IDs of the same organisation are not counted.

Please note that as a result:

- ➔ the new statistic may not reflect all consumer transactions taking place in MSATS
- ➔ the definition of Company ID and Participant ID may still not completely reflect the accurate ownership structure due to different ACNs used by an organisation.

2. THE STATISTICS

Following is a description of the key statistics that count retail transfers of retail consumers. These figures are grouped by jurisdiction (**JUR**) but figures are only provided for the jurisdictions that have authorised the publication of the data.

CON_ACTIVET2_NMI_JUR

Counts the number of 2nd tier **retail** connection points as of the statistics date. These are consumers that have chosen to transfer to a new retailer. Remember, though, that there may be other consumers that have negotiated a contract with a retailer of choice but, because that retailer is also their Local Retailer, they are not counted in this statistic. The total number of contracted consumers therefore cannot be determined from AEMO's statistics. Example:

STAT_DATE	STAT_NAME	JURISDICTIONCODE	STAT_VALUE
22/05/2003	CON_ACTIVET2_NMI_JUR	NSW	1797
22/05/2003	CON_ACTIVET2_NMI_JUR	QLD	32
22/05/2003	CON_ACTIVET2_NMI_JUR	VIC	2935

Note: This example and the examples that follow contain simulated data.

ACTIVET2_NMI_JUR_CLASS

Counts the number of 2nd tier NMIs on the statistics date broken up by NMI Classification and jurisdiction. SMALL and LARGE are the two types of retail connection points (see previous page for definitions). Examples:

STAT_DATE	STAT_NAME	JURISDICTIONCODE	NMICLASSCODE	STAT_VALUE
22/05/2003	ACTIVET2_NMI_JUR_CLASS	NSW	GENERATR	1
22/05/2003	ACTIVET2_NMI_JUR_CLASS	NSW	LARGE	64
22/05/2003	ACTIVET2_NMI_JUR_CLASS	VIC	LARGE	50
22/05/2003	ACTIVET2_NMI_JUR_CLASS	NSW	SMALL	1733
22/05/2003	ACTIVET2_NMI_JUR_CLASS	VIC	SMALL	2885
22/05/2003	ACTIVET2_NMI_JUR_CLASS	NSW	WHOLESALE	5

CON_TFR_COM_JUR

Counts the number of **retail** transfers that completed on the statistics date for a particular jurisdiction. Examples:

STAT_DATE	STAT_NAME	JURISDICTIONCODE	STAT_VALUE
22/05/2003	CON_TFR_COM_JUR	NSW	460
22/05/2003	CON_TFR_COM_JUR	QLD	23
22/05/2003	CON_TFR_COM_JUR	VIC	814

TFR_COM_JUR_CLASS

Counts the number of transfers that completed on the statistics date, by NMI classification and jurisdiction. Examples:

STAT_DATE	STAT_NAME	JURISDICTIONCODE	NMICLASSCODE	STAT_VALUE
22/05/2003	TFR_COM_JUR_CLASS	NSW	GENERATR	1
22/05/2003	TFR_COM_JUR_CLASS	NSW	LARGE	10
22/05/2003	TFR_COM_JUR_CLASS	NSW	SMALL	1450
22/05/2003	TFR_COM_JUR_CLASS	VIC	LARGE	7
22/05/2003	TFR_COM_JUR_CLASS	VIC	SMALL	1807

CON_TFR_COM_JUR_TIER

Counts the number of transfers that completed on the statistics date, by tier status and jurisdiction.

Examples:

STAT_DATE	STAT_NAME	JURISDICTIONCODE	TIERSTATUS	STAT_VALUE
19/05/2003	CON_TFR_COM_JUR_TIER	NSW	2TO1	2
19/05/2003	CON_TFR_COM_JUR_TIER	NSW	2TO2	4

CON_TFR_INP_JUR

Counts the number of **retail** transfers in progress on the statistics date for a particular jurisdiction.

Examples:

STAT_DATE	STAT_NAME	JURISDICTIONCODE	STAT_VALUE
22/05/2003	CON_TFR_INP_JUR	NSW	13990
22/05/2003	CON_TFR_INP_JUR	QLD	23
22/05/2003	CON_TFR_INP_JUR	VIC	22833

TFR_INP_JUR_CLASS

Counts the number of transfers in progress on the statistics date, by NMI classification and jurisdiction.

Examples:

STAT_DATE	STAT_NAME	JURISDICTIONCODE	NMICLASSCODE	STAT_VALUE
22/05/2003	TFR_INP_JUR_CLASS	NSW	LARGE	59
22/05/2003	TFR_INP_JUR_CLASS	NSW	SMALL	14166
22/05/2003	TFR_INP_JUR_CLASS	VIC	LARGE	49
22/05/2003	TFR_INP_JUR_CLASS	VIC	SMALL	23606
22/05/2003	TFR_INP_JUR_CLASS	VIC	WHOLESALE	1

TFR_INP_JUR_TIER

Counts the number of transfers in progress on the statistics date, by tier status and jurisdiction.

Examples:

STAT_DATE	STAT_NAME	JURISDICTIONCODE	TIERSTATUS	STAT_VALUE
22/05/2003	CON_TFR_INP_JUR_TIER	NSW	1TO2	13840
22/05/2003	CON_TFR_INP_JUR_TIER	NSW	2TO1	276
22/05/2003	CON_TFR_INP_JUR_TIER	NSW	2TO2	109
22/05/2003	CON_TFR_INP_JUR_TIER	VIC	1TO2	22271
22/05/2003	CON_TFR_INP_JUR_TIER	VIC	2TO1	782
22/05/2003	CON_TFR_INP_JUR_TIER	VIC	2TO2	602

3. ACTIVE 2nd tier NMIs VERSUS COMPLETED TRANSACTIONS

The number of active 2nd tier NMIs is a daily snapshot of the number of consumers that are registered with a retailer other than their Local Retailer.

The number of completed transfers for any date represents the number of consumers that transferred from one retailer to another (i.e. the number of consumers that 'churned' on that date).

The two types of statistics are related but a completed transaction doesn't necessarily lead to an increase in the number of active 2nd tier NMIs.

If a completed transaction transfers a consumer from the Local Retailer to a 2nd tier retailer, the number of active 2nd tier NMIs increases by 1. If a completed transaction transfers from one 2nd tier retailer to another, the number of active 2nd tier NMIs stays the same. If a completed transaction transfers a consumer back to the Local Retailer, the number of active 2nd tier NMIs reduces by 1.

For example, 200 transactions might complete but there might be no change to the number of active 2nd tier NMIs from the previous night. This would happen if all the transfers were 2nd tier to 2nd tier but it would also happen if there were 100 1st tier to 2nd tier transfers and 100 2nd tier to 1st tier transfers.

Therefore if, over time, you accumulate the daily total for the number of completed transfers, it will continue to increase. However, the number of active 2nd tier NMIs is likely to fluctuate up and down.

4. If you want to know more....

If you'd like to see a further break-up of these statistics, there are more counts on AEMO's website, as well as a more detailed description of what each statistic means. Visit www.aemo.com.au for more information.