

Self-reported breach by AGL

Notice of apparent breach of WA Retail Market Procedures clause 178(b) by AGL Sales Pty Ltd on 21/07/2017

Overview:

On 21/07/2017, AGL Sales Pty Ltd (“AGL”) transferred a move-in customer in a sub-network where it was unable to procure injections to meet the customer’s withdrawals.

This appears to be a breach of clause 178(b) of the WA Retail Market Procedures (“Procedures”) by AGL, which reads as follows:

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:

AGL signed a contract for supply of gas with the customer which AGL was unable to fulfil.

Resolution:

AGL identified the issue on 26/07/2017 and raised the Error Correction Notice for the customer transfer on 11/08/2017 returning the site to the previous retailer. AGL has compensated the customer in relation to having a contract for supply that AGL was unable to fulfil.

AGL identified a further five customer transfers which were pending. AGL contacted those customers and cancelled the contracts and transfers prior to the completion of the transfers.

Proposed Further Actions:

AGL has placed an internal block on transferring customers from that particular sub-network.

Invitation for submissions:

Before determining whether any further action is required, AEMO 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, AEMO should make under clause 329 of the Procedures in respect of the apparent breaches of the Retail Market Procedures.

Submissions are requested by no later than 5:00pm (AEST) **Tuesday 31 October 2017**. Submissions should be sent by e-mail to rmo@aemo.com.au.

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

Chin Chan

AEMO
GPO Box 2008
Melbourne VIC 3001

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

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