

IN003/20 – Gas Life Support Supplementary Questionnaire

Responses to be emailed to grcf@aemo.com.au by due **COB 31 March 2020**.

Review comments submitted by: *Australian Gas Networks*

Date: 31/3/2020

Contact Person: *Rick Abbott*

Topic	Please Provide Response Here
Question 1 – Benefits of change	
<p>Please provide, in detail, what benefits the change will have on your organisation (in terms of efficiency, customer benefits, privacy, etc.). If any monetary benefits are provided (e.g. in terms of annual FTE savings), these will be kept confidential.</p>	<p>For AGN there will be benefits in two broad categories:</p> <p><u>Compliance Risk Avoidance</u></p> <ul style="list-style-type: none"> The existing email based manual life support process is currently plagued with inconsistent CSV file formats received from retailers. Without CSV files in the required standard format, the automated upload process developed by APA for the start of the new registration requirements in February 2019 cannot operate. LS customer details received currently need to be manually extracted from the files received, and then manually sorted and uploaded to our system. This makes the LS customer registration process inefficient and prone to error. A B2B process will ensure consistent application/processes followed by all Retailers. Currently we are seeing varying differences and regular follow up with Retailers on the data provided and process used. The query process can take time to resolve and added risk for the customer not being protected appropriately. A B2B solution for life support will limit the risk of processing errors that could result in the wrongful disconnection of gas supply for a life support customer. The risk to reputation and of potential fines of \$20,000 per regulatory breach will be minimised.

	<ul style="list-style-type: none"> • There are potential privacy issues when dealing via email with the current process. Both Retailer and DB must ensure all communication is password protected. • As LS registration volumes increase, compliance risk also increases. Our experience in the SA and Qld markets in the last 12 months has shown an acceleration in registrations. With Victoria having now commenced, we anticipate a further increase. <p><u>Cost Savings – FTEs</u></p> <ul style="list-style-type: none"> • With the increase in LS registrations in 2019 for SA/QLD and with the introduction of Victoria recently, management of the manual life support process now requires [REDACTED]. We anticipate that if the volume of registrations continue to increase we may require [REDACTED] to manage the manual LS registration and deregistration process. This will equate to approximately [REDACTED] <u>per annum</u>. These annual costs will be saved with the B2B solution.
Question 2 – Costs of change	
<p>Please provide what costs the change will create for your organisation as an order of magnitude (i.e. "low", "medium", or "high"). If any monetary values (e.g. once-off implementation costs, and any ongoing annual cost) are provided (e.g. in terms of the cost of system changes), these will be kept confidential.</p>	<p>A high level estimate of LSN and LSR implementation costs is [REDACTED]. Changes will be required across multiple systems.</p>
Question 3 – Volume of gas life support customers	
<p>Please provide the volume of gas life support customers your organisation currently has registered. Please also provide the average rate of gas life support registrations and deregistrations per month for your organisation, as well as any notes you would like to provide on how AEMO should interpret these data.</p>	<p>In total the APA system has had 1,781 registrations and 501 deregistrations, leaving 1,280 current life support customer registrations. Since 1 February 2019, there have been an average of 121 registrations and 36 deregistrations per month.</p> <p>*Note that these numbers include customers in all of the AGN, Allgas and CRP (Tamworth) networks.</p>

Question 4 – Alternatives to LSN and LSR																		
<p>If AEMO decides not to recommend the adoption of LSN and LSR, will your organisation likely make any changes to your existing implementation of the Gas Life Support Industry Guide process?. If so, provide details on the type of changes you intend to put forward.</p>	<p>If the LSN and LSR is not adopted, there would be no option other than the continuation of the existing manual email based process in place (now in NECF states and Vic). As noted above, this process is currently compromised by the lack of consistency in data/files received from the retailers. Unless all Retailers build their systems to meet the exact CSV file format requirements in the Gas Life Support Industry Guide, these problems will persist. It should also be noted that the Industry Guide has no regulatory head of power behind it to enforce compliance.</p> <p>Other than the B2B process, there are no other changes that could be implemented that would improve the process.</p>																	
Question 5 – Value Rating (1-7)																		
<p>Please indicate your organisation's value rating if the proposal to adopt the LSN and LSR aseXML transactions proceeds, as compared with the status quo or the alternative(s) identified in Question 4. Please select one of the following.</p> <table border="1"> <thead> <tr> <th>Rating</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>1 =</td> <td>Large negative outcome if proposal proceeds</td> </tr> <tr> <td>2 =</td> <td>Moderate negative outcome if proposal proceeds</td> </tr> <tr> <td>3 =</td> <td>Small negative outcome if proposal proceeds</td> </tr> <tr> <td>4 =</td> <td>No net benefit or cost if proposal proceeds</td> </tr> <tr> <td>5 =</td> <td>Small positive outcome if proposal proceeds</td> </tr> <tr> <td>6 =</td> <td>Moderate positive outcome if proposal proceeds</td> </tr> <tr> <td>7 =</td> <td>Large positive outcome if proposal proceeds</td> </tr> </tbody> </table>	Rating	Description	1 =	Large negative outcome if proposal proceeds	2 =	Moderate negative outcome if proposal proceeds	3 =	Small negative outcome if proposal proceeds	4 =	No net benefit or cost if proposal proceeds	5 =	Small positive outcome if proposal proceeds	6 =	Moderate positive outcome if proposal proceeds	7 =	Large positive outcome if proposal proceeds	<p style="text-align: center;">Value Rating</p>	<p style="text-align: center;">7</p>
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Question 6 – Any other comments?																		

Does your organisation have any other comments that it wishes AEMO to consider in its formulation of the IIR?

It is critical to AGN that the B2B solution is implemented in Q4 2021. The high operating cost and compliance risk associated with the existing manual process is unacceptable in the long term.

From our perspective, the manual process was only ever meant to be a stop gap solution from February 2019 until a future opportunity arose for the national harmonisation of life support registration requirements (including Victoria), which would enable the implementation of a nationwide B2B process for LS registrations across a single schema version. This opportunity is now in front of us as an industry.

In addition to the risk minimising benefits of the B2B solution, its implementation costs will ultimately be outweighed by the cost savings over time.

AGN supports a Q4 2021 implementation date. We must stress however that all jurisdictions must be switched to R38 simultaneously on a common date. Our national systems cannot manage a staged switch over as it can only operate on a single schema.

With regard to the SA/NSW transformation engine as noted by AEMO in PBP6, our planned scope of work for LSN/LSR only includes the generic Schema Version related transactions. Any transactions requiring Transaction Specific Transforms (not schema version related) are not in our planned scope of work, and the AEMO transformation process will need to continue to cater for these.

APA only agreed to participate in the NARGP process on the basis that it could use existing SA transactions for the Wagga and Tamworth networks.