

# PROPOSED PROCEDURE CHANGE (PPC)

## Summary Section

<b>Issue Number</b>	IN005/21		
<b>Impacted Jurisdiction(s)</b>	New South Wales/Australian Capital Territory (NSW/ACT)		
<b>Proponent</b>	Carol Poon	<b>Company</b>	Australian Energy Market Operator (AEMO)
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<b>Affected Gas Market(s)</b>	• Retail	<b>Date proposal sent to AEMO</b>	Tuesday, 23 February 2021
<b>Short Issue Title</b>	Remove NSW/ACT Lost Gas Customer Service Protocol (LGCSP)		
<b>Other key contact information</b>	<a href="mailto:grcf@aemo.com.au">grcf@aemo.com.au</a>		

VERSION #	PRESENTED TO	DATE
1.0	GRCF	23 February 2022



## PROPOSED PROCEDURE CHANGE (PPC)

### DESCRIPTION OF CHANGES AND REASONS FOR CHANGES

#### 1.1 Background

According to the Chapter 10 of the Retail Market Procedure (RMP) NSW/ACT, AEMO may provide a service that enables a customer to find out the identity of the current FRO of the delivery point at which that customer is supplied with gas (“lost *gas* customer service”). The lost gas customer service must be provided in accordance with a protocol LGCSP.

As per the current process, a gas customer can contact any Retailer or the Energy and Water Ombudsman NSW (EWON) to find out the identity of their current retailer within one business day. This formalised process ensures that a NSW/ACT gas customer is never placed in a position where they do not know the identity of their current Retailer for a sustained period of time.

In situations where the gas delivery point identifier is known, the customer’s Retailer can be identified by querying the AEMO’s NSW/ACT Gas Retail Market Business System (GRMBS).

Where the delivery point identifier is not known but the street address of the property with the gas connection is known, the customer’s Retailer may be identified either by interrogating the relevant Network Operator’s on-line system (where such access is available) or liaising directly with the relevant Network Operator.

AEMO requested feedback on the following proposal in Gas Market Issue (GMI) consultation that was sent to the Gas Retail Consultative Forum (GRCF) on the 25 November 2021.

1. Formalising the temporary work around: Access to NSW/ACT Network Operator’s online system was terminated in 2016 when AEMO and NSW/ACT participants agreed to adopt the same uniformed business to business (B2B) transaction standards that operated in other east coast jurisdictions<sup>1</sup>. Because there was no equivalent B2B transaction for this lost gas customer service AEMO implemented a temporary workaround to overcome this issue by accessing the Complete MIRN listing provided by the relevant Network Operator which has proven to be the most effective means of managing this service. To formalise the workaround AEMO must update the LGCSP. Updating the LGCSP must be agreed by the EWON and GRCF participants.
2. Removing the requirement for GRCF Consultation when amending the LGCSP: AEMO consulted with internal stakeholders and proposed that any future changes to the LGCSP will not require to undergo a formal GRCF consultation. Any future proposed changes will be reviewed and agreed via a circular resolution between AEMO and EWON. AEMO proposed to remove the requirement for formal GRCF consultation from the Retail Market Procedures (RMP) NSW/ACT.
3. Removing Chapter 10 of RMP NSW/ACT: The changes proposed in this initiative make requirements in Chapter 10 of the RMP NSW/ACT redundant. Implementation of the initiative IN012/11 Process to Identify FRO allowed a Retailer to know the identity of the previous Retailer following a transfer. This feature also was included in the NARGP project. Since the implementation of the NARGP project, the Retailers ceased using the LGCSP process to identify the Retailer.

#### 1.2 Outcome of GMI Consultation which closed 17 December 2021

Feedback from the participants (refer to Attachment C) proposed removing the LGCSP process. EWON could seek resolution of a query from a lost gas customer from the relevant Network Operator.

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<sup>1</sup> Note – This was a project known as NSW/ACT Retail Gas Project (NARGP)



The proposal seeks approval from EWON for the following:

- Delete Chapter 10 from RMP NSW/ACT to remove the formal LGCSP process; and
- Remove LGCSP process.

In early February 2022, AEMO discussed the suggested change to the original solution covered by the GMI with EWON and the Network Operator’s Jemena and AGIG.

EWON indicated they had no objections in principle to removing the protocol. They also noted that in practice they are most likely to contact the Network Operator anyway. AEMO responded that the National Energy Retail Law (NERL) clause 85 covers the obligation on Network Operator to provide details of a customer’s Retailer when requested by EWON.

Jemena and AGIG indicated that they are generally supportive of the proposal. Jemena also noted that they anticipate that this initiative would create minimal in-practice change, given the very low volumes of EWON requests.

## 2 REFERENCE DOCUMENTATION

- RMP NSW/ACT (ver 27.0)

## 3 OVERVIEW OF CHANGES

The proposed change involves:

1. deleting Chapter 10 from the RMP NSW/ACT;
2. discontinuing the use of LGCSP. Under National Energy Retail Law (NERL) (section 85), the EWON can approach the Network Operator on behalf of the customer for the purpose of identifying their Retailer; and
3. EWON adopt the practice of contacting the Network Operator.

## 4 LIKELY IMPLEMENTATION REQUIREMENTS AND EFFECTS

Implementation of this initiative may require minor process changes for EWON to seek resolution of lost gas customer from the Network Operator instead of AEMO. In making the request to the Network Operator, it is recommended that where possible, EWON will obtain the meter number from the customer.

The figures below indicate rapid decline in the number of requests received by AEMO from EWON, particularly since 2016 when the NARGP was implemented.

Year	Total LGC requests
2014	958
2015	1009
2016	501
2017	265
2018	141
2019	69
2020	37
2021	11

Assuming the downward trend continues, the lost gas customer requests may eventually diminish. The proposed changes will also achieve harmony with other east coast jurisdictions.



For the Network Operator, a minor process change may be required in relation to responding to EWON's lost gas customer request.

## 5 IMPACT OF ISSUE NOT PROCEEDING

The current situation leads to:

1. Any procedure change requiring a formal GRCF consultation.
2. Multiple parties involved in resolution of lost gas customer queries resulting in delays.
3. EWON needs to obtain customer's explicit informed consent (EIC) before requesting AEMO to identify their retailer.
4. AEMO having to determine the customer's retailer from the Complete MIRN listing. The listing is updated once a month and hence the information may not be current.
5. The declining trend of yearly figures of lost gas customer requests will make the protocol redundant.

## 6 OVERALL COSTS, BENEFITS, AND MAGNITUDE OF THE CHANGES

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

- Speed up the resolution of a lost gas customer query.
- Eliminate duplication of processes, where EWON approaches AEMO and in some cases AEMO may need to approach the Network Operator to determine the customer's Retailer.
- Harmonise with other east coast jurisdictions since the protocol only exists in NSW/ACT.

AEMO considers this initiative will require the minor process change for EWON where resolution of lost gas customer queries will be sought from the Network Operator instead of AEMO.

There are no anticipated system changes for AEMO or participants because of this proposed change.

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

## 7 CONSISTENCY WITH NATIONAL GAS RULES (NGR) AND NATIONAL GAS OBJECTIVE (NGO)

Regarding the changes in east-coast jurisdictions, AEMO's preliminary assessment of the proposal's consistency with the NGR and NGO is:

Consistency with National Gas Law (NGL) and NGR

AEMO's view is that the proposed change is consistent with the NGL and NGR. No participant raised any objections during the consultations listed in Section 1.1 and participants will be given an opportunity during this PPC consultation to inform AEMO if they believe there is such an inconsistency.



National Gas Objective	As outlined in Section 6, AEMO's view is that the proposed change will help achieve the National Gas Objective through two mechanisms: <ol style="list-style-type: none"><li>1. Improving the efficiency of the operation of the gas market by speeding up the resolution of query.</li><li>2. Achieve harmony with other east coast jurisdictions.</li></ol>
Any applicable access arrangements	AEMO's view is that the proposed change is not in conflict with existing Access Arrangements. Participants will be given an opportunity during this PPC consultation to inform AEMO if they believe the proposed change is in conflict with existing Access Arrangements.

## 8 SUPPORTING DOCUMENTATION

Refer to Attachment B (Proposed amendments to the RMP NSW/ACT).

## 9 PROPOSED TIMELINES

AEMO proposes the following consultation timeline:

- Issue Proposed Procedure Change (PPC) on 23 February 2022.
- Submission on PPC closes 9 March 2022.
- Issue Impact and Implementation Report (IIR) on 21 March 2022.
- Submissions on IIR close 20 April 2022.
- Publish Notice of Decision 10 May 2022.
- Target effective date Monday 4 July 2022.



## **ATTACHMENT A – PPC RESPONSE TEMPLATE**

The PPC response template has been attached separately to this document.

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

Submissions close Wednesday 9 March 2022 and should be emailed to [grcf@aemo.com.au](mailto:grcf@aemo.com.au).



## ATTACHMENT B – DOCUMENTATION CHANGES (SEE SECTION 3)

Blue underline represents additions ~~Red~~ and ~~strikeout~~ represents deletions – Marked up changes

- RMP – NSW/ACT

### 1.1.2 Wagga Wagga and Tamworth

- (c) The following provisions of these Procedures apply to *Network Operators* in respect of the Wagga Wagga and Tamworth *network sections*:
- (i) this clause 1.1.2;
  - (ii) clause 1.2.1 (Definitions) – the definitions of *business day*, *gas day*, *hot water meter* and all other defined terms necessary to give meaning and effect to this clause 1.1.2, including any provision specified in this paragraph (c);
  - (iii) clause 1.2.2 (Interpretation);
  - (iv) clause 3.6.4 (Calculation of energy data – hot water meters), consistent with the calculation in example 5 of clause 1.2.2(g) and as if the *common factor* were the water conversion factor as defined in that example;
  - (v) clause 4.2(b) (De-energising or disconnecting basic meters by Users);
  - (vi) clause 4.3 (Meter upgrade or downgrade), provided that the time by which the *Network Operator* is to provide information under paragraphs (c) and (d) is 5.00 pm on the 2<sup>nd</sup> *business day* before the relevant *meter* is to be upgraded or downgraded (as applicable), not the 2<sup>nd</sup> *business day* afterwards;
  - (vii) Chapters 6 and 11 (Customer transfer process and Customer transfer error correction process), subject to paragraph (f);
  - (viii) There is no clause 1.1.2 (c) (viii)
  - ~~(viii) Chapter 10 (Lost gas customer process); and~~
  - (ix) Attachment 4 (Wagga Wagga and Tamworth information);

## CHAPTER 10. THERE IS NO CHAPTER 10

### ~~CHAPTER 10. LOST GAS CUSTOMER PROCESS~~

#### ~~10.1 Lost Gas Customer Service Protocol~~

- ~~(a) AEMO may provide a service that enables a Customer to find out the identity of the current FRO of the delivery point at which that Customer is supplied with gas (“lost gas customer service”).~~
- ~~(b) The lost gas customer service must be provided in accordance with a protocol (“Lost Gas Customer Protocol”).~~

#### ~~10.1.1 Amendment~~

~~The Lost Gas Customer Protocol may only be amended by AEMO when such amendments are agreed with the recognised energy industry ombudsman for New South Wales and after undertaking one of the following consultative processes:~~



- ~~(a) — the ordinary process for making Procedures under section 135EE of the Rules; or~~
- ~~(b) — the expedited process for making Procedures under section 135EF of the Rules.~~

### ~~10.1.2 Publication~~

~~AEMO must publish the Lost Gas Customer Protocol as amended from time to time.~~

### ~~10.1.3 Effect~~

~~Network Operators, Retailers and AEMO must comply with, and are bound by, the Lost Gas Customer Protocol in respect of the provision of information, giving of notice, delivery of notices or documents and making of requests, and the receipt of information, notices and documents or requests.~~





### ATTACHMENT C – GMI RESPONSE FOR IN005/21 (NSW LOST GAS PROTOCOL)

Question	Ref #	Participant	Participant Response	AEMO Response (AEMO only)
1. Does your organization support this initiative?	1	AGL	<p>AEMO has advised that the number of requests is now very small. AGL also notes that there are 5 separate retail Gas Markets operating, although this service only supports a single market, NSW. Therefore, the option of removing the service should also be considered.</p> <p>This then leaves two options – end the process or retain and update the process.</p> <p>This process was originally developed prior to NECF when the relationship between customer and retailer was linear. Following NECF, the relationship is now triangular, and the Distributor is also obligated to support a customer enquiry, under NERR CI 101, for example.</p> <p>Equally under the NERL (CI 85) both a Retailer and Distributor must provide information to an Ombudsman on request.</p> <p>Given those obligations, the small number of requests, and the fact that it only serves a single market, it is reasonable to suggest that this procedure is no longer required.</p> <p>If, however, AEMO wishes to continue with this procedure, then AGL has made the following suggestions to improve the amended procedures but would <b>NOT</b> support the element of removing the industry consultation on this topic.</p> <p>While AGL can understand the desire to minimise formal consultation, AGL believes that if this procedure is to continue then there should be some notification to industry and opportunity to comment prior to a change being implemented.</p> <p>See below for proposed drafting.</p>	AEMO notes AGL’s comment and agrees with the suggestion of ending the LGCSPP process.
	2	Energy Australia	No	AEMO notes Energy Australia’s response that they do not support the proposal as per the GMI.
	3	Origin Energy	Origin supports AEMO’s purpose for amending the Lost Gas Customer Service Protocol (LGSP) for identifying the current retailer.	AEMO notes Origin Energy’s support for the original proposal.  AEMO having considered internal stakeholder and market participant feedback



Question	Ref #	Participant	Participant Response	AEMO Response (AEMO only)
			<p>Origin questions AEMO on removing chapter 10 of the NSW/ACT RMPs. The relevance for Chapter 10, outlines the service that enables a customer to identify the current FRO in accordance with the LGCSPP and associated obligations.</p> <p>10.1.1 can be altered so any amendments to the LGSP are agreed between AEMO and EWON. Consequently, clauses (a) and (b) can be removed.</p> <p>10.1.3 can accordingly be updated for AEMO to comply with the LGCSPP.</p>	<p>(refer to feedback from AGL, Energy Australia and Red/Lumo), has amended the proposal to end the LGCSPP as it simplifies the process for the industry.</p>
	4	Red/Lumo	<p>Red Energy and Lumo Energy (Red and Lumo) do not support formalising the temporary work around as proposed in the GMI. Should AEMO continue to retain a role in this space, we do not agree with the complete removal of Chapter 10. We consider that AEMO should maintain transparency and continue to publish the Lost Gas Customer Service Protocol - as agreed between AEMO and EWON - and advise the GRCF when a new version is published. We agree that the Protocol does not require GRCF approval and/or consultation in any revisions to it.</p> <p>Red and Lumo would like to table a different option for consideration in the GMI. We suggest instead that the Lost Gas Customer Service Protocol (LGCSPP) is no longer required and it should be unnecessary for AEMO to be involved in the process at all.</p> <p>In consideration of removing the LGCSPP entirely:</p> <p>Firstly, a customer should be able to identify their incumbent retailer (FRO\USR) by contacting their distributor (or Network Operator) as provided for in Rule 101 of the National Energy Retail Rules.</p> <p>Alternatively, a customer contacting EWON will, according to EWON's website, be directed to speak with their retailer. With appropriate advice from EWON, a customer will be able to identify and contact their distributor and thereby identify their retailer.</p> <p>Failing that, under the National Energy Retail Law (section 85), EWON should be able to approach a distributor (on behalf of a customer) and be advised of the customer's retailer.</p> <p>Neither of these methods of discovering the current retailer require AEMO or the continuation of a temporary workaround which has been unnecessarily perpetuated.</p>	<p>AEMO notes Red/Lumo's comment and agrees with the suggestion of ending the LGCSPP process.</p>
	5	AGL	<p>There should be no system or process issues for AGL.</p>	<p>AEMO notes AGL's comment.</p>



Question	Ref #	Participant	Participant Response	AEMO Response (AEMO only)
2. Does your organisation expect any system impacts because of this initiative?	6	Energy Australia	No	AEMO notes Energy Australia's comment.
	7	Origin Energy	No	AEMO notes Origin Energy's comment.
	8	Red/Lumo	Red and Lumo expect no system impacts as a result of this initiative.	AEMO notes Red/Lumo's comment.
3. Any other comments on this proposal?	9	AGL	No further comments	
	10	Energy Australia	<p>In support of removing the LGCSP entirely:</p> <p>Customers already have the ability/process to identify their incumbent retailer (FRO\USR) by contacting their distributor (or Network Operator) as provided for in Rule 101(1) of the <b>NERR v30</b></p> <p><i>101 (1) If a shared customer makes an enquiry... to the distributor about an issue relating to the sale of energy... the distributor must:</i></p> <p><i>(a) ... refer the customer to the retailer's enquiry... ..telephone number where practicable; or</i></p> <p><i>(b) otherwise, as soon as practicable, but no later than the next business day after receiving the enquiry or complaint, provide the retailer with the details of the enquiry...</i></p> <p>This process is also afforded to EWON, as they are permitted to approach a distributor on behalf of a customer and be advised of the customer's retailer (or previous FRO) under <b>NERL v: 20.5.2021</b></p> <p><i>85 - Information and assistance requirements</i></p> <p><i>(1) A retailer or distributor must provide information and assistance relating to a small customer complaint or dispute to the energy ombudsman on request by the ombudsman.</i></p> <p>Based on the above EnergyAustralia see this Protocol as a duplication of a rule already in existence and is therefore not required.</p>	AEMO notes Energy Australia's comment and agrees with the suggestion of ending the LGCSP process.
	11	Origin Energy	No	AEMO notes Origin Energy's comment.



Question	Ref #	Participant	Participant Response	AEMO Response (AEMO only)
	12	Red/Lumo	<p>Red and Lumo would like to understand the impact of the LGCSP since it is “...designed to be simple and low-cost with minimal administrative burden...”</p> <p>How many LGCSP enquiries do AEMO receive annually?</p> <p>If the process were removed, what would the actual impact on JGN be?</p> <p>Considering the NGO and NERO:</p> <p>Is it efficient to direct requests to AEMO rather than EWON;</p> <ul style="list-style-type: none"> <li>a. educating the customer on how to discover their retailer (i.e. via their distributor); or</li> <li>b. contacting the distributor directly?</li> </ul>	<p>AEMO notes Red/Lumo’s comment.</p> <p>Please refer to section 4 for the number of queries in the past years.</p> <p>As mentioned in section 3 above, the requests are rapidly declining. The trend indicates the queries will almost diminish in the coming years and will have negligible impact on the Network Operator when EWON directs the requests to them.</p> <p>Following removal of the protocol, NSW/ACT will be harmonised with other east coast jurisdictions.</p>
4. See minor mark ups for grammatical / error correction	13	AGL	See attached procedure with additional mark ups.	AEMO notes that having agreed with the proposal to remove the LGCSP process, these mark ups will not be considered.