

# PROPOSED PROCEDURE CHANGE (PPC)

## Summary Section

<b>Issue Number</b>	IN005/18		
<b>Impacted Jurisdiction(s)</b>	South Australia (SA), Queensland (QLD), Victoria (VIC), New South Wales/Australian Capital Territory (NSW/ACT)		
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<b>Affected Gas Market(s)</b>	• Retail	<b>Date proposal sent to AEMO</b>	Tuesday, 21 August 2018
<b>Short Issue Title</b>	Estimated Consumption after meter removal		
<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	22 December 2020



## PROPOSED PROCEDURE CHANGE (PPC)

### 1. DESCRIPTION OF CHANGES AND REASONS FOR CHANGES

#### 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 be illegally removed.

Market Procedures do include the provision for estimated reading with Reason type, "Meter Removed", which is to be 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 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 have 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

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

Having identified the non-existence of a meter, the Network Operator 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) – V24.0

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

Gas Interface Protocol NSW-ACT – V10.0

FRC B2B Process Flow Diagrams – V3.6



Information Pack Usage Guidelines - V8.4

### **3. HIGH LEVEL OVERVIEW OF THE CHANGES TO THE EXISTING PROCEDURES**

The proposed change involves an amendment to the PBP1 – Process Flow Diagrams is 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. CONSEQUENCES FOR MAKING OR NOT MAKING THE CHANGES**

The current situation leads to:

1. The Market status for MIRNs does not reflect the physical status at the site, i.e. MIRN status reflects "Commissioned" rather than "Decommissioned" or "Deregistered".
2. Incorrect wholesale and retail charging as a result of incorrect MIRN status.
3. Network Operator levies supply charges against the Retailer incorrectly as a result of incorrect the MIRN status which can be charged over multiple billing periods.
4. Estimated consumption received for MIRNs leading to billing errors, customer complaints and ombudsman complaints.
5. Current process has a negative impact on the Retailers, customers and market reputation as the volumes of this issue continues to grow with no consistent process to resolve it.

### **5. EXPLANATION REGARDING THE ORDER OF MAGNITUDE OF THE CHANGES**

AEMO considers 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.

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

### **6. LIKELY BENEFITS FOR INDUSTRY AS A WHOLE**

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.

### **7. IMPLEMENTATION IMPACTS**

Implementation of this initiative may require minor changes for some of the participants to align their current business process with the new business process.



## **8. TESTING REQUIREMENTS**

This is a procedural change only, with no system changes for AEMO or participants.

## **9. SUPPORTING DOCUMENTATION**

Refer to Attachment A (Proposed amendments to the PBP1 – Process Flow Diagram).

## **10. PROPOSED EFFECTIVE DATE FOR THE PROPOSED CHANGED PROCEDURES TO TAKE EFFECT**

AEMO proposes the following consultation timeline:

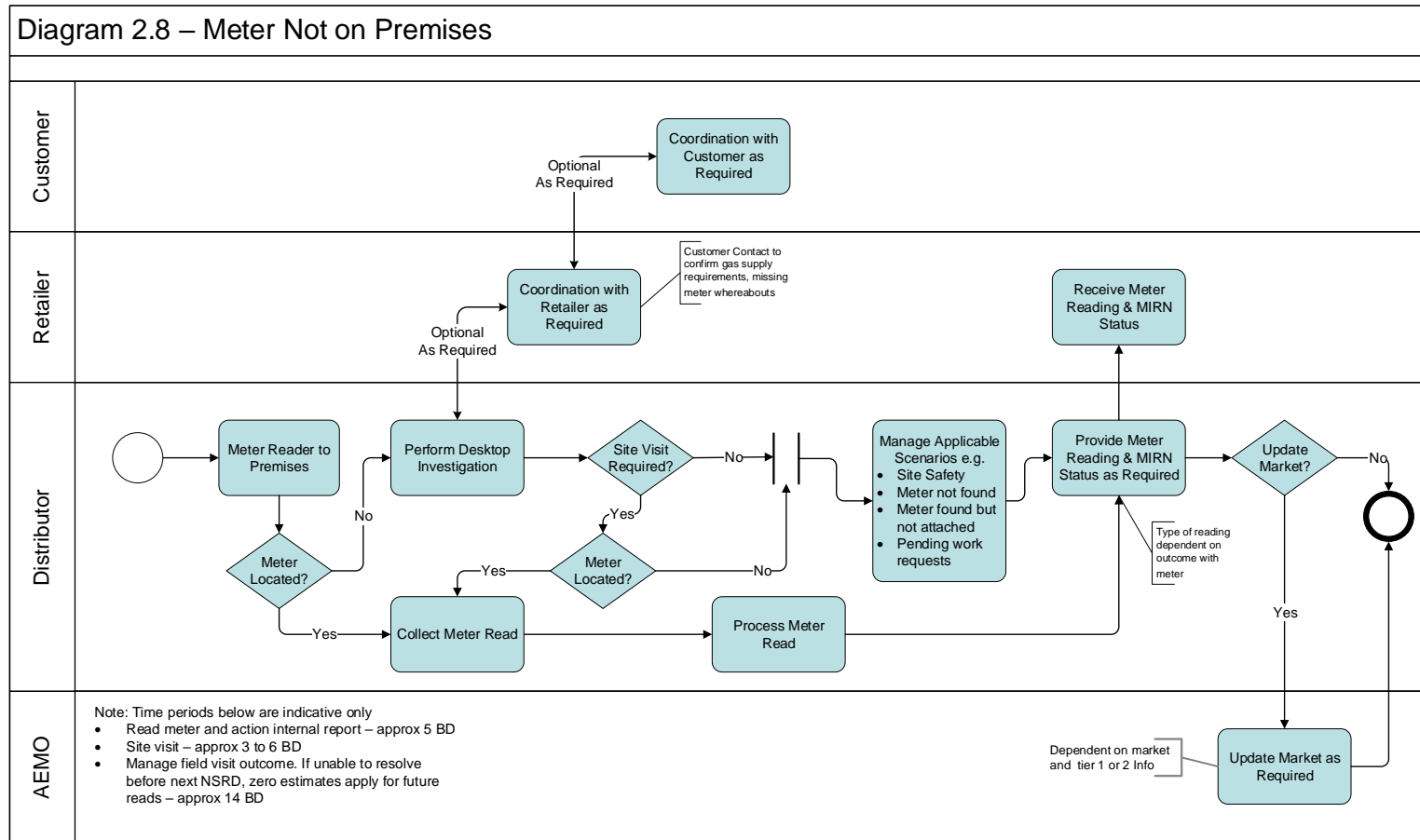
- Issue Proposed Procedure Change (PPC) on 22 December 2020.
- Submission on PPC closes 15 January 2021.
- Issue Impact and Implementation Report (IIR) on 27 January 2021.
- Submissions on IIR close 23 February 2021.
- Publish Notice of Decision 12 March 2021.

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

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

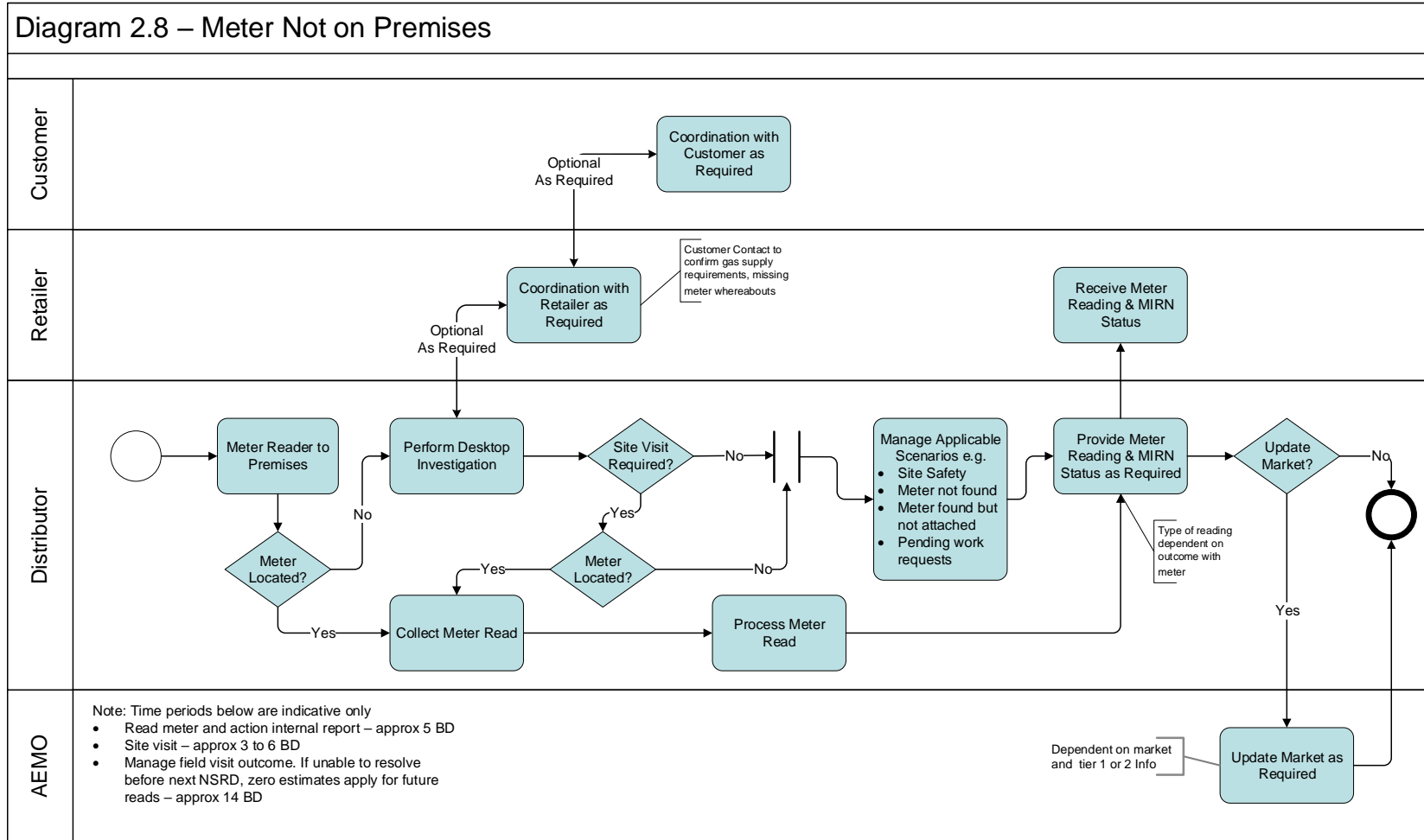
- BPB1 – Process Flow Diagrams

### 4.15. DIAGRAM 2.8 – METER NOT ON PREMISES





### 4.15. DIAGRAM 2.8 – METER NOT ON PREMISES



- FRC B2B Process Flow Diagrams

#### 4.15. Process Flow: MR13A: METER NOT ON PREMISES

