



UPDATED INFORMATION ON THE REMCo-AEMO TRANSITION SCHEDULED FOR 1 OCTOBER 2009

18 September 2009

Retail Energy Market Company Limited ("REMCo") is the Retail Market Administrator for the contestable gas retail markets in Western Australia ("WA") and South Australia ("SA"). A transition of the gas retail markets for WA and SA is scheduled to take place on 1 October 2009 such that:

- the Australian Energy Market Operator ("AEMO") will assume all of REMCo's functions in the SA gas retail market; and
- REMCo will continue to operate the gas retail market in WA.

REMCo sent a document to WA and SA gas retail market stakeholders on 28 August 2009 to provide background on the transition, a copy of which can be found on the REMCo website at www.remco.net.au.

The transition remains on schedule for 1 October 2009.

This document provides an update on the status of the transition.

1. OPERATIONS FOR THE WA AND SA GAS RETAIL MARKET SCHEMES

Negotiation of the various contractual arrangements to provide for continued operation of the WA and SA gas retail markets are complete, and the contracts are nearing completion for execution.

As a result, it is still intended that there will be no changes to the operations of the gas retail markets in either State on 1 October 2009. All FRC HUB participant IDs will remain the same and no Participant system changes are required.

2. GAS RULES AND PROCEDURES

2.1 The Rules and Rule Change Process in WA

REMCo Members will continue to be bound by the REMCo Scheme after 1 October 2009, including the REMCo Constitution and the Retail Market Rules (the "Rules"). A copy of the Rules can be found on the REMCo website at www.remco.net.au.

REMCo manages a Rule change process, as specified in Chapter 9 of the Rules. The Rule change process is managed through the Rule Change Committee, the Technical Working Group ("TWG"), and the Balancing Load Allocation Settlement Team ("BLAST"); and includes a public consultation process. Any Rule changes require approval from the Economic Regulation Authority ("ERA").

A process will be commenced in October 2009 to review and change the Rules to remove the portions relating solely to SA, and to ensure that the remaining Rules will be effective for REMCo as a WA-only retail market operator (including further consideration of the Rule change process and the structure of the various Rule change-related committees).

2.2 The Procedures in SA

All SA-based gas retail market participants will be bound to comply with the *Retail Market Procedures (South Australia)* (the “SA Procedures”) from 1 October 2009. The SA Procedures are based on the REMCo Rules, modified to remove references to WA, and to fit under the regulatory structure of the *National Gas Law* (“NGL”) and the *National Gas Rules* (“NGR”). A copy of the SA Procedures can be found on the AEMO website: www.aemo.com.au.

The processes for making or changing the SA Procedures are outlined in Part 15B of the NGR. An “Approved Process” must be followed to change the SA Procedures, and AEMO has established a transitional Approved Process in consultation with stakeholders, which is published on the AEMO website. The final “Approved Process” will be implemented in December 2009 by AEMO, after a consultation process managed under the NGR.

AEMO will continue to utilise the existing committees, of which the membership structure will alter to be more inclusive of any interested parties who wish to attend.

The consultation process to manage Procedure changes is outlined in the Approved Process document. First, a Gas Market Issue (“GMI”) document outlining the proposed Procedure change will be presented to the appropriate consultative forum. AEMO will then issue an Impact and Implementation Report (“II&R”) to commence the formal consultation required under the NGR via either an expedited or ordinary consultation timeframe. Once the consultation process is complete, AEMO is required to make a decision whether the proposed change should be approved or rejected, and if approved, the timeframe for implementation.

2.3 Coordination of WA Rule Changes and SA Procedure Changes

REMC and AEMO will work together to establish a communications protocol to inform each other of changes in the operations of the various retail markets operated by REMCo and AEMO to cooperate and to align the REMCo Rules/SA Procedures to the greatest extent possible.

3. SPECIFICATION PACK AND INFORMATION PACK

The Specification Pack documents define how a Participant is to interact with the Gas Retail Market System (“GRMS”) and with other Participants' systems. That is, the Specification Pack defines how Business-to-Business (“B2B”) and Business-to-Market (“B2M”) communication are to work. The contents of the Specification Pack can be found in the Specification Pack Usage Guidelines document.

The Information Pack contains documents that provide guidance to Participants in relation to B2M and B2B systems and processes. The contents of the Information Pack can be found in the Information Pack Usage Guidelines.

3.1 REMCo Specification Pack and REMCo Information Pack in WA

In accordance with Part 1.4 of the Rules, REMCo Members will continue to comply with the requirements set out in the REMCo Specification Pack after 1 October 2009. A copy of the REMCo Specification Pack can be found on the REMCo website at www.remco.net.au.

Changes to the REMCo Specification Pack will be managed under REMCo rule change process, in accordance with the Rules.

A copy of the REMCo Information Pack can also be found on the REMCo website.

3.2 AEMO Specification Pack and AEMO Information Pack in SA

In accordance with Part 1.4 of the SA Procedures, Participants must comply with the requirements set out in the AEMO Specification Pack after 1 October 2009. A copy of the AEMO Specification Pack can be found on the AEMO website at www.aemo.com.au.

The processes for making or changing the AEMO Specification Pack will be the same process applicable for changing the SA Procedures.

A copy of the AEMO Information Pack can be found on the AEMO website at www.aemo.com.au.

3.3 Update of Specification Pack and Information Pack

There exists a large body of documentation in both the WA and SA jurisdictions that require updating as a result of the transition of SA to the NGL/NGR regime under AEMO. A project is being established within REMCo and the AEMO to update the documents over time, with a target of having the bulk of the documents translated by the end of 2009.

4. GAS RETAIL MARKET FEES

4.1 Treatment of Gas Retail Market Fees in WA after 1 October 2009

The REMCo Board of Directors has determined that the following fees will apply in WA from 1 October 2009:

- Registration Fee (once off fee upon joining REMCo): \$11,300
- Annual Service Fee (\$/year): \$17,265
- Market Share Fee (\$/MIRN/month): \$0.2543

4.2 Treatment of Gas Retail Market Fees in SA after 1 October 2009

The AEMO Board of Directors has determined that the following fees will apply in SA from 1 October 2009:

- Registration Fee (once off fee upon joining REMCo): \$11,300
- Annual Service Fee (\$/year): \$17,265
- Market Share Fee (\$/MIRN/month):
 - for October 2009: \$0.5427
 - for November 2009 to June 2010: \$0.3602

5. CONTACT INFORMATION

5.1 REMCo Contact Information

REMCo Contract Information for WA		
Market Support Enquiries	Phone	(03) 8664 6520
	E-mail	market_support@remco.net.au
Rule Change Enquiries	Phone	(03) 8664 6520
	E-mail	rule_change@remco.net.au

REMCo Contract Information for WA		
Compliance Enquiries	Phone	(03) 8664 6520
	E-mail	market_compliance@remco.net.au
GRMS – WA Helpdesk	Phone	1800 008 532
	E-mail	gasmarketsystems.au@logica.com
FRC Hub Support (for issues with connectivity to the hub)	Phone	1800 684 436
	E-mail	customer.support@hsntech.com.au
FRC Hub Support (for issues relate to processing of messages or the operation of WebMethods)	Phone	(03) 9648 8616
	E-mail	FBSAdmin@aemo.com.au
Operations Manger (Peter Alberts)	Phone	(03) 8664 6611
	Fax	(03) 8664 6511
	E-mail	peter.alberts@aemo.com.au
	Mailing Address	Level 2 Yarra Tower World Trade Centre Siddeley Street South Melbourne VIC 3005
CEO (Stephen Eliot)	Phone	(08) 9278 2441
	Mobile	0421 093 598
	E-mail	stephen.eliot@remco.net.au
	Mailing Address	Level 28, AMP Building 140 St Georges Terrace Perth WA 6000

5.2 AEMO Contact Information

AEMO Contact Information for SA		
Market Support Enquiries (On matters relating to Rules or Procedures)	Phone	(03) 8664 6500
	E-mail	grcf@aemo.com.au
On matters relating to market support	Phone	(03) 8664 6500
	E-mail	gas.helpdesk@aemo.com.au
GRMS - SA Helpdesk	Phone	1800 008 532
	E-mail	gasmarketsystems.au@logica.com
FRC Hub Support (for issues with connectivity to the hub)	Phone	1800 684 436
	E-mail	customer.support@hsntech.com.au
FRC Hub Support (for issues relate to processing of messages or the operation of WebMethods)	Phone	(03) 9648 8616
	E-mail	FBSAdmin@aemo.com.au

AEMO Contact Information for SA		
Senior Manager, Gas Retail Market Development (Peter Alberts)	Phone	(03) 8664 6611
	Fax	(03) 8664 6511
	E-mail	peter.alberts@aemo.com.au
	Mailing Address	Level 2 Yarra Tower World Trade Centre Siddeley Street South Melbourne VIC 3005

6. QUERIES AND MORE INFORMATION

REMCo will issue a further message on the day before AEMO takes over operation of the SA gas retail market to provide any updates to the information provided in this document.

REMCo welcomes any queries or requests for further information via e-mail to market_support@remco.net.au. If there are material queries, REMCo will collate these and make available to all recipients of this document.