



FINAL COMMUNICATIONS ON THE 1 OCTOBER 2009 REMC_o-AEMO TRANSITION

1. BACKGROUND

A transition of the gas retail markets for Western Australia (“WA”) and South Australia (“SA”) will take place tomorrow, 1 October 2009, such that:

- Australian Energy Market Operator (“AEMO”)¹ will operate the gas retail market in SA; and
- Retail Energy Market Company Limited (“REMC_o”)² will operate the gas retail market in WA.

REMC_o managed the implementation of, and has been operating the WA and SA gas retail market since early 2004. The transition of SA gas retail market operations from REMC_o to AEMO marks a significant change in REMC_o’s operations. REMC_o wishes to thank the SA gas market participants, the SA Government, and the Essential Services Commission of South Australia for their cooperation in the successful creation and subsequent operation of the SA gas retail market over the years; and wishes the SA gas retail market participants every success in their future endeavours.

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

Contractual arrangements have been put in place to provide for continued operation of the WA and SA gas retail markets such that the transition will be seamless:

- AEMO will continue to operate the FRC HUB for communications between gas retail market participants in both States (all FRC HUB participant IDs will remain the same and no participant system changes are required);
- AEMO will also continue to provide contracted market operations services to REMC_o for the WA gas retail market; and
- Logica Australia Pty Ltd (“Logica”) will continue to provide systems operations services to REMC_o for the WA gas retail market, and under a separate contract, to AEMO for SA gas retail market.

3. GAS RULES AND PROCEDURES

3.1 The Rules and Rule Change Process in WA

REMC_o Members will continue to be bound by the REMC_o Scheme from 1 October 2009, including the REMC_o Constitution and the Retail Market Rules (the “Rules”).³

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 that the remaining Rules will be effective for REMC_o as a WA-only retail market operator (including consideration of the Rule change process and the structure of the various Rule change-related committees).

¹ Further information on AEMO can be found at www.aemo.com.au.

² Further information on REMC_o can be found at www.remco.net.au.

³ A copy of the Rules can be found on the REMC_o website.

3.2 The SA Procedures

Under the umbrella of the National Gas Law and National Gas Rules, all SA-based gas retail market participants must comply with the *Retail Market Procedures (South Australia)* (the “SA Procedures”) as of 1 October 2009.⁴

The SA Procedures are based on the Rules, modified to remove references to WA, and to fit the regulatory structure of the *National Gas Law* (“NGL”) and the *National Gas Rules* (“NGR”).

The processes for changing the SA Procedures are outlined in Part 15B of the NGR. AEMO has established a transitional “Approved Process” for changing the SA Procedures;⁵ and a final “Approved Process” will be implemented in December 2009, after a consultation process managed under the NGR.

3.3 Coordination of WA Rule Changes and SA Procedure Changes

REMCo 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.

4. SPECIFICATION PACK AND INFORMATION PACK

The Specification Pack documents define how participants are to interact with the Gas Retail Market System (“GRMS”) and with other participants' systems (i.e. it defines how Business-to-Business (“B2B”) and Business-to-Market Operator (“B2M”) communication are to work). In addition the Information Pack contains documents that provide guidance to Participants in relation to B2M and B2B systems and processes.⁶

4.1 REMCo Specification Pack and REMCo Information Pack in WA

REMCo Members must continue to comply with the requirements set out in the REMCo Specification Pack on 1 October 2009.⁷ Changes to the REMCo Specification Pack will be managed under REMCo rule change process, in accordance with the Rules.

4.2 AEMO Specification Pack and AEMO Information Pack in SA

SA gas market participants must comply with the requirements set out in the AEMO Specification Pack as of 1 October 2009.⁸ The processes for making or changing the AEMO Specification Pack will be the same process applicable for changing the SA Procedures.

4.3 Update of Specification Pack and Information Pack

A large body of documentation in both the WA and SA jurisdictions require updating as a result of the transition. A project has been established by REMCo and AEMO to update the documents over time, with a target of translating the bulk of the documents by the end of 2009.

⁴ A copy of the SA Procedures can be found on the AEMO website.

⁵ A copy of the transitional “Approved Process” is published on the AEMO website.

⁶ The Specification Pack can be found in the Specification Pack Usage Guidelines document; and the contents of the Information Pack can be found in the Information Pack Usage Guidelines.

⁷ A copy of the REMCo Specification Pack and Information Pack can be found on the REMCo website.

⁸ A copy of the AEMO Specification Pack and Information Pack can be found on the AEMO website.

5. GOVERNANCE MATTERS

5.1 REMCo

REMCo's membership as of 1 October 2009 is as follows:⁹

- WA Gas Networks (network operators);
- Alinta Sales (retailer);
- Synergy (retailer); and
- Premier Power.

REMCo's Board of Directors will be as follows as of 1 October 2009:

- Mr John Dawkins Independent Directors, Chair;
- Ms Anne Tregonning Independent Director;
- Ms Deborah Evans Director nominated by the majority network operator (WA Gas Networks);
- Mr Victor Browner Director nominated by the majority retailer (Alinta Sales);
- Mr Trevor James Director nominated by a Member other than the majority retailer and the majority network operator (Synergy); and
- Vacant Director nominated by a Member other than the majority retailer and the majority network operator.

REMCo's next Annual General Meeting is scheduled for 19 November 2009, at which point some of the above Board membership may change.

5.2 AEMO

The SA Government has enacted regulations that will automatically transfer the following parties as registered participants with AEMO on 1 October 2009:¹⁰

- AGL Wholesale Gas (SA) Pty Ltd shipper;
- AGL South Australia Pty Ltd user;
- AGL Wholesale Gas (South Australia) Pty Ltd swing service provider ("SSP");
- APT Pipelines (SA) Pty Ltd pipeline operator;
- Envestra (SA) Limited pipeline operator;
- Envestra Limited network operator (for SA and Mildura region) and pipeline operator (for SA);
- Epic Energy South Australia Pty Limited pipeline operator;
- International Power (Energy) Pty Ltd shipper and SSP;
- Simply Energy user;
- Origin Energy Retail Ltd shipper, SSP, and user;
- Santos Direct Pty Ltd user;
- South East Australia Gas Pty Ltd pipeline operator; and
- TRUenergy Pty Ltd shipper, SSP, and user.

⁹ As none of REMCo's SA-based Members hold either a Gas Distribution Licence or a Gas Trading Licence in WA in the areas covered by the REMCo Retail Market Scheme, the following participants will no longer be REMCo Members as of 1 October 2009:

- Envestra (network operator);
- AGL (retailer);
- Energy Australia (retailer);
- Santos Direct (retailer);
- Origin Energy (retailer);
- Simply Energy (retailer); and
- TRUenergy (retailer);

¹⁰ This is done by clause 8 of the *National Gas (South Australia) (Australian Energy Market Operator) Variation Regulations 2009*, which inserts the relevant new clause 15(2) is inserted into the *National Gas (South Australia Regulations)*.

6. GAS RETAIL MARKET COMPLIANCE

6.1 The Rules Compliance and Interpretation Process in WA

Rules compliance and interpretation process will be managed under Chapter 6 of the Rules and under the “REMCo (Board) Compliance SA Procedures” as of 1 October 2009.¹¹ There have been no changes to the REMCo compliance process, although the Rule Change Committee will consider the Compliance process in October 2009 as a matter of priority to ensure that it will work going forward.

6.2 The SA Procedures Compliance Process in SA

Compliance and dispute management in the SA market are managed under Part 15C of the NGR.

7. 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
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

¹¹ A copy of the REMCo (Board) Compliance Procedures is available on the REMCo website.

AEMO Contact Information for SA		
Market Support Enquiries (On matters relating to Rules or SA 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
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