



Retail Energy Market Company

**IMPACT & IMPLEMENTATION REPORT
(INCORPORATING THE PROPOSED RULE CHANGE) – SUMMARY SECTION**
(For REMCo to complete and administer)

Rule Change Number	C06/11R		
Impacted jurisdiction(s)	Western Australia		
Proponent	Tim Sheridan	Company	REMCo
Industry consultative forum(s) used	RCC	Date concluded by Rule Change Committee (“RCC”)	09/11/11
Rule change ranking (as per Chapter 9): <ul style="list-style-type: none"> ▪ Non-substantial ▪ Low impact ▪ High impact 	Low impact		
Short description of change(s)	Retail Market Scheme Definition		
Rule(s) or documentation impacted	Rule 14 of the Retail Market Rules (the “Rules”)		
Summary of the change(s)	Amend Rule 14 (Other instruments) of the Rules to exclude: (a) the need to comply with any clauses of the Specification Pack (“Spec Pack”) that apply only in South Australia (“SA”); and (b) the application of Chapter 9 to any clauses of the Spec Pack that apply only in SA.		
I&IR prepared by	Tim Sheridan	Approved by	Stephen Eliot
Date I&IR published	01/12/11	Date consultation concludes	15/12/11
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IMPACT & IMPLEMENTATION REPORT – DETAILED REPORT SECTION

CRITICAL EXAMINATION OF PROPOSAL

<p>1. Description of change(s) and reasons for change(s)</p>	<p>This Impact and Implementation Report (“I&IR”) has been developed by REMCo in accordance with Rule 397 of the Rules, and is raised for consideration by gas retail market participants as a low impact Rule change (C06/11R).</p> <p>The proposed changes in this I&IR have been developed by REMCo and were initially raised for discussion as a Gas Market Issue (“GMI”) at the RCC meeting on 09/11/11. At the meeting, the RCC endorsed the proposed amendments as a low impact Rule change.</p> <p>In summary, the proposed changes in this I&IR are to amend Rule 14 (other instruments) of the Rules to exclude:</p> <ul style="list-style-type: none"> (a) the need to comply with any clauses of the Spec Pack that apply only in SA; and (b) the application of Chapter 9 to any clauses of the Spec Pack that apply only in SA. <p>The proposed amendments are to be published in a new version 6.3 of the Rules that is targeted for an effective date of 01/03/12.</p> <p>Background</p> <p>REMCo initially operated both the Western Australian (“WA”) and SA gas retail markets, and the retail market scheme was defined to include the Rules and the Spec Pack.</p> <p>However, in October 2009, responsibility for operating the SA gas retail market was transitioned to the Australian Energy Market Operator (“AEMO”), at which stage the Rules were amended to delete Rules that apply only in SA.</p> <p>REMCo and AEMO have agreed to continue to operate the WA and SA gas retail markets using a generic Spec Pack that applies in both jurisdictions, as this drives operational efficiencies in both markets and helps maintain consistency across both jurisdictions.</p> <p>Given the definition of the retail market scheme, the Rule change process in Chapter 9 of the Rules applies to the Rules and the Spec Pack (including the parts of the Spec Pack that apply only in SA). As a result, approval of the Economic Regulation Authority (“ERA”) is required for changes to the Spec Pack, including changes to the clauses that apply only in SA.</p> <p>The precise amendments which form part of this Rule change are detailed in Attachment A to this I&IR.</p>
<p>2. Reference documentation</p> <ul style="list-style-type: none"> ▪ Retail Market Rules (the “Rules”); ▪ Business/Information/Specification Pack Reference; and/or ▪ Other Reference. 	<p>The reference documentation includes:</p> <ul style="list-style-type: none"> • The Retail Market Rules – Version 6.2.

<p>3. The high-level details of the change(s) to the existing Rules.</p> <p>This includes:</p> <ul style="list-style-type: none"> ▪ a comparison of the existing operation of the Rules to the proposed change to the operation of the Rules; and ▪ a marked up version of the proposed Rule changes (see Attachment A) 	<p>As indicated in section 1, the proposed changes in this I&IR are to amend Rule 14 (other instruments) of the Rules to exclude:</p> <ul style="list-style-type: none"> (a) the need to comply with any clauses of the Spec Pack that apply only in SA; and (b) the application of Chapter 9 of the Rules to any clauses of the Spec Pack that apply only in SA. <p>These amendments are to be published in a new version 6.3 of the Rules and are detailed in Attachment A.</p>
<p>4. Explanation regarding the order of magnitude of the change (e.g. material, non-material or non-substantial)</p>	<p>The impact of the proposed amendments as described in this I&IR are considered to be 'low impact' as the amendments:</p> <ul style="list-style-type: none"> (a) do not materially impact the information technology systems of REMCo, participants, pipeline operators or prescribed persons; (b) do not materially alter consumer protection mechanisms under the Rules; and (c) do not have a material commercial impact on REMCo, participants, pipeline operators or prescribed persons.
<p>5. Overall Industry cost/benefit analysis (tangible / intangible / risk) and/or cost estimates</p>	<p>Cost</p> <p>REMCo has not incurred any costs in the development of this Rule change and has not received any information from other gas retail market participants on the cost or impact of this Rule change on their business.</p> <p>Benefits</p> <p>REMCo considers that the benefits of this Rule change include:</p> <ul style="list-style-type: none"> • simplified a Rule change process; and • reduced workloads for the RCC, REMCo, and the ERA by removing the need for the REMCo and the RCC to discuss and endorse changes to the Spec Pack that impact only SA.
<p>6. The likely effect of the change(s) on stakeholders (e.g. industry or end-users)</p>	<p>REMCo does not consider that the proposed amendments as described in this I&IR will have any effects on stakeholders or their systems.</p>
<p>7. Testing requirements</p>	<p>There are no testing requirements.</p>

<p>8. Consideration of the recommended Rule change by REMCo under Rule 399. REMCo must either:</p> <ul style="list-style-type: none"> ▪ endorse the recommended rule change; or ▪ reject the recommended rule change 	<p>In accordance with Rule 399, REMCo endorses the low impact Rule change as previously determined by the RCC under Rule 397.</p>
<p>9. Consultation forum outcomes (e.g. the conclusions made on the change(s), whether there was unanimous approval, any dissenting views)</p>	<p>REMCo developed a Proposed Rule Change (“PRC”) which outlined the proposed amendments and circulated this PRC on 3/05/11 to the following market participants:</p> <ol style="list-style-type: none"> a. ATCO Gas Australia, as the network operator; b. Alinta Sales, as a user, shipper and swing service provider; c. APT, as a pipeline operator and swing service provider; d. DBP, as a pipeline operator; e. Premier Power Sales, as a user; f. Synergy, as a user and swing service provider; and g. Perth Energy as a user, shipper and swing service provider. <p>The GMI for the proposed changes was discussed at the RCC meeting on 09/11/11 where the RCC endorsed the proposed amendments as a low impact rule change.</p>
<p>10. Legal review:</p> <ul style="list-style-type: none"> ▪ does this rule change impact the ACCC authorisation? ▪ is an external legal review required? 	<p>The ACCC authorisation is for Chapters 5 and 6, and Appendices 7 to 10 of the Rules. As a result, the Rule change does not impact the ACCC authorisation; and no external legal review is required.</p>
<p>11. Should the proposed Rule change be made, (with or without amendments)?</p>	<p>REMCo recommends that the proposed amendments as described in this I&IR should be made without further amendments.</p>
<p>12. If applicable, a proposed effective date for the proposed Rule change(s) to take effect and justification for that timeline.</p>	<p>The effective date for this Rule change and version 6.3 of the Rules is targeted for 01/03/12.</p>

ATTACHMENT A – Amendments to the Retail Market Rules

All amendments to the Rules are change marked, where underlining (blue) represents an addition, and ~~strike (red)~~ through represents a deletion.

Amend Rule 14 as follows:

14. Other instruments

- (1) Each person required to comply with these rules, must also comply with the following documents (as applicable):
 - (a) the REMCo Specification Pack, but not the portions of the REMCo Specification Pack that apply only in South Australia; and
 - (b) FRC Hub Conditions.
- (2) For the avoidance of doubt, Chapter 9 and the rule change procedure under these rules do apply to any amendment made to the documents listed in rule 14(1), but not to the portions of the REMCo Specification Pack that apply only in South Australia.