

COMPLIANCE ISSUES FOR DECISION

DATE: 12 January 2018

RESPONSIBILITY: Group Manager Market Management

COMPLIANCE ISSUES SUMMARY TABLE:

Breach	Description	Recommendation
WA Retail Market Procedures 178, 181 and 197 by Synergy for gas day 22/11/2017	<p>High Swing Service volume was detected for gas day 22/11/2017. AEMO has investigated this matter and found that Synergy put in a Users' Pipeline Nomination Amount ("UPNA") on the Parmelia Pipeline (P) for the South Metro sub-network (1107) of 136,798MJ but its Users Allocation Instruction ("UAI") was 2TJ. This contributed to the Swing Service Spike of 2.2TJ on 1107 for gas day 22/11/2017.</p> <p>These inputs have resulted in a Swing Service Spike on 1107 and appears to be a breach of clauses 178, 181 and 197 of the Retail Market Procedures WA (the "Procedures") by Synergy.</p>	<p>Submissions were called for, and the submission window closed on 10/01/2018.</p> <p>One submission was received from AGL confirming there was no substantive impact on AGL and have no further comment on this matter.</p> <p>After having regard to the other matters in clause 329(1) of the Procedures, AEMO has determined that the breach was not material and resolved to take no further action in relation to this matter.</p>

COMPLIANCE ISSUES:

1. Procedures breach reported by AEMO:

WA Retail Market Procedures 178, 181 and 197 by Synergy for gas day 22/11/2017

Description See the description above.

Action taken Synergy advised AEMO that the Swing Service Spike on 1107 for gas day 22/11/2017 was due to:

- The Parmelia Pipeline operator changed how swing volumes are reported to Synergy. This change exposed an underlying but previously unrecognised error in how Synergy's trading system calculates and creates nominations for swing repayment quantities.
- A change in operational circumstance on that particular day leads Synergy to adopt a different nomination approach. Due to the change in how the Parmelia Pipeline operator reported and the error in Synergy's trading system a new UAI was not generated to match Synergy's UPNA.
- Due to the change in Synergy's UPNA, Synergy's UAI quantities on the day of the incident were significantly different from the day where the swing nomination was initially made.

These resulted in an unintended consequence to Synergy's trading system.

Following the incident review, Synergy initiated a change to the gas nomination process to avoid such reoccurrences in the future.

Impact Synergy's action appears to have contributed to the Swing Service Spike on 1107 of 2.2TJ for gas day 22/11/2017.

One submission was received from AGL confirming there was no substantive impact on AGL and have no further comment on this matter.

Decision After having regard to the matters in clause 329(1) of the Procedures, AEMO has determined that the breach was not material and resolved. AEMO to take no further action in relation to this matter.