



## Retail Gas Governance Forum

22 July 2009



# Agenda

- 1. Introduction**
- 2. Downstream reconciliation**
- 3. Switching & registry**
- 4. Compliance**
- 5. IEFFWG**
- 6. AOB**

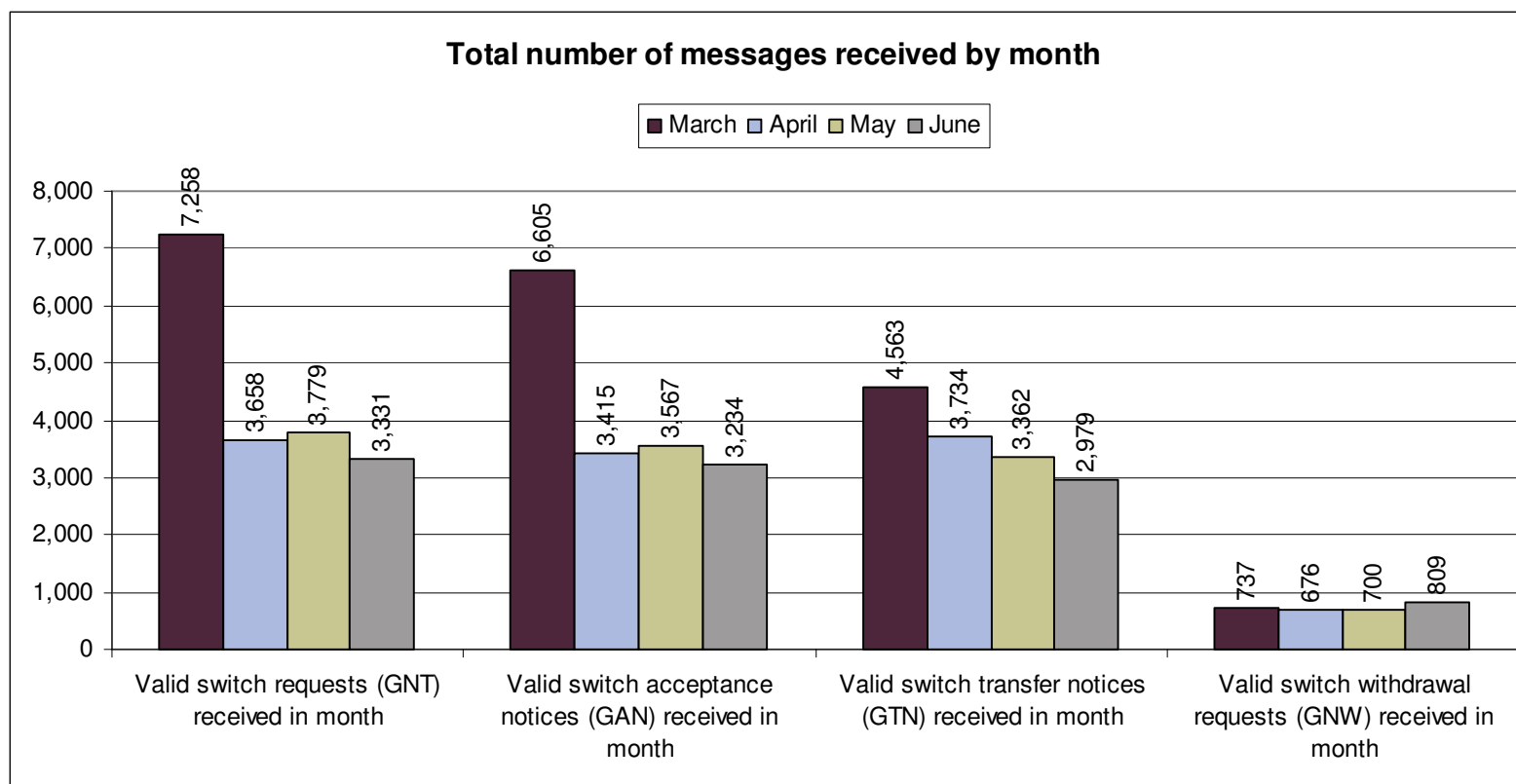


# Timetable for rule amendments

| Approximate date                    | Activity   |
|-------------------------------------|--|
| Late May                            | Statement of proposal issued outlining proposed rule amendments (allow 4 weeks for submissions)  |
| Mid June                            | Industry workshop  |
| Late June                           | Closing date for submissions<br>(Allow 2-4 weeks to prepare final proposed rule amendments and obtain Board approval for the Recommendation)                                       |
| Late July                           | Recommendation issued and provided to the Minister   |
| August (ideally) – October          | Proposed rule amendments are approved/rejected by the Minister and gazetted. (Note Minister is able to take up to 90 days in deciding whether to approve proposed rule amendments) |
| 1 October 2009 (ideally) – December | Proposed rule amendments take effect 28 days after being gazetted. (Note date of effect will be dependent on Ministerial approval timeframe).                                      |



# Switching & registry – switching





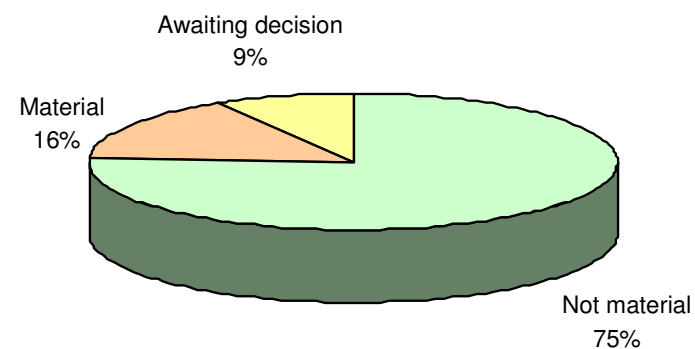
## Switching & registry - breaches

| Month | Switching breaches | Maintenance breaches | Total breaches | Notices of alleged breach |
|-------|--------------------|----------------------|----------------|---------------------------|
| March | 424                | 133                  | 557            | 10                        |
| April | 893                | 703                  | 1596           | 11                        |
| May   | 412                | 552                  | 964            | 11                        |
| June  | 694                | 0                    | 694            | 8                         |

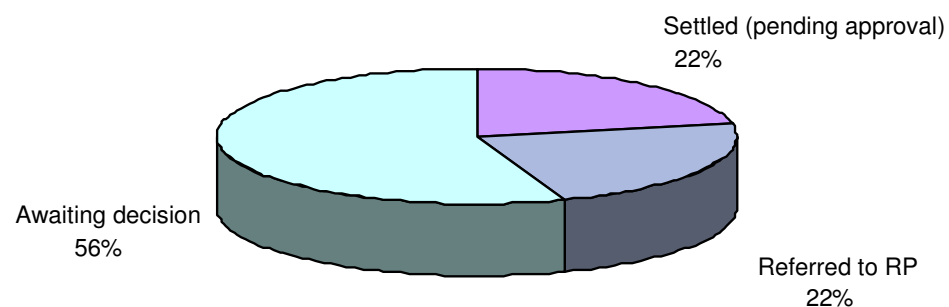


# Compliance - volumes

| Materiality       | Number     |
|-------------------|------------|
| Material          | 18         |
| Not material      | 88         |
| Awaiting decision | 10         |
| <b>Total</b>      | <b>116</b> |



| Material breaches          | Number    |
|----------------------------|-----------|
| Settled (pending approval) | 4         |
| Referred to rulings panel  | 4         |
| Awaiting decision          | 10        |
| <b>Total</b>               | <b>18</b> |





## Compliance – ongoing costs FY2010

| Rules/Regulations  | Estimated cost   | Monthly cost    |
|--|------------------|-----------------|
| <b>Gas (Downstream Reconciliation) Rules 2008</b>                        | <b>\$124,560</b> | <b>\$10,380</b> |
| <b>Gas (Switching Arrangements) Rules 2008</b>                           | <b>\$155,700</b> | <b>\$12,975</b> |
| <b>Gas Governance (Critical Contingency Management) Regulations 2008</b> | <b>\$25,950</b>  | <b>\$2,595</b>  |

Note: Assumes the Contingency Management Regulations go live at the beginning of September 2009, ie estimate is for 10 months.



## Compliance – actual costs FY2009

| Rules/Regulations  | Estimated cost | Actual cost | Recovered | Over/ (Under) recovery |
|--|----------------|-------------|-----------|------------------------|
| <b>Gas (Downstream Reconciliation) Rules 2008</b>                        | \$97,200       | \$62,783.73 | \$75,600  | \$12,816.27            |
| <b>Gas (Switching Arrangements) Rules 2008</b>                           | \$35,500       | \$39,879.23 | \$35,500  | (\$4,379.23)           |
| <b>Gas Governance (Critical Contingency Management) Regulations 2008</b> | \$25,950       | \$0         | \$0       | \$0                    |
| <b>Total over recovery</b>   |                |             |           | <b>\$8,437.04</b>      |