

Market Operations (NSW Transfer Rules for Retail Electricity Supply) Rule No.4 of 2009

1 Name and commencement

- 1.1 This Rule is the Market Operations (NSW Transfer Rules for Retail Electricity Supply) Rule No.4 of 2001 and commences on 25 September 2009.
- 1.2 This Rule revokes the previous Market Operations (NSW Transfer Rules for Retail Electricity Supply) Rule No. 4 of 2001 which commenced on 30 November 2001.

2 Objects of the Rules

2.1 General Purpose

(a) *AEMO* operates the Market Settlements and Transfer Solutions (*MSATS*) Procedures and Systems to provide a framework for the orderly transfer of a customer's electricity account from one *Retail Supplier* to another *Retail Supplier*, under the contestable market for customers who are eligible to choose their *Retail Supplier*.

(b) The purpose of this Rule is to integrate the NSW transfer requirements for efficient operation of the NSW retail electricity supply market with the *MSATS Procedures and Systems*.

2.2 Specific purposes

The specific purpose of this Rule is to establish requirements for the following matters:

- (a) Limiting the manner in which licence holders may use the *MSATS Procedures and Systems* for enabling, initiating or effecting transfer of a *Small Retail Customer* or other changes to information stored in the *MSATS Procedures and Systems*;
- (b) Evidencing consent to negotiated supply arrangements for *Small Retail Customers* who are able to choose their *Retail Supplier*;
- (c) Providing for the use by licence holders of dispute management systems in relation to matters arising under the *MSATS Procedures and Systems*;
- (d) Requiring *Distribution Network Service Providers* to provide *NMI Discovery Services* for *Retail Suppliers*, marketers and *Small Retail Customers*;
- (e) Ensuring that transfers are timed to be consistent with the cooling-off period allowed to *Small Retail Customers* entering into new supply contracts; and
- (f) Protecting the interests of *Small Retail Customers*.

3 Scope of Rule

- 3.1 This Rule is made under section 63C of *The Act*.
- 3.2 This Rule applies to all NSW licence holders with respect to enabling, initiating and effecting the transfer of and supply to any *Small Retail Customer*.

4 Customer consent

- 4.1 A *Retail Supplier* must not initiate or effect the transfer of a *Small Retail Customer* to a third party without the written consent of the customer except where the transfer forms part of the sale, transfer or other disposal to that third party of all or substantially all of the *Retail Supplier's* business of supplying electricity by retail.
- 4.2 Without limiting any other form of written consent that may be given, a *Small Retail Customer* who signs a negotiated customer supply contract with the *Retail Supplier* is taken to have given written consent to the transfer.
- 4.3 A *Retail Supplier* must retain, for at least 2 years, any written consent obtained under this clause, including any signed contract.

5 Grounds for objections in relation to *MSATS Procedures and Systems*

- 5.1 Despite the provisions of the *MSATS Procedures and Systems*, a licence holder under *The Act* may not flag a dispute or withhold approval with respect to the transfer of a *Small Retail Customer* on a ground referred to in clause 5.2 or 5.3.
- 5.2 The grounds on which a *Distribution Network Service Provider* may not flag a dispute or withhold approval are as follows:
- (a) that the *Small Retail Customer* does not meet the contestability requirements of New South Wales or the load requirements of New South Wales,
 - (b) that there is no valid supply arrangement,
 - (c) that there is no network connection agreement as required under the NER,
 - (d) that the *Distribution Network Service Provider* does not have knowledge of the eligibility of the *Small Retail Customer* to transfer to a *New Retailer*,
 - (e) that the *Distribution Network Service Provider* is not satisfied that the *Small Retail Customer* has given consent to a *Retail Supplier* for the transfer.
- 5.3 An *Old Retailer* may not flag a dispute or withhold approval on the ground of contractual impediment. For this purpose, contractual impediment includes, but is not limited to, the

following:

- (a) the existence of an outstanding debt owed by the *Small Retail Customer* to the *Old Retailer*,
- (b) the existence of a customer supply contract with the *Old Retailer*.

Note: Disputes may be raised outside the *MSATS Procedures and Systems* between *Old Retailers* and *New Retailers* (see clause 6).

6 Dispute management system

- 6.1 The resolution of disputes between licence holders with respect to the interpretation or applicability, or any actions under, the *MSATS Procedures and Systems* is to be dealt with under a dispute management system of a type required to be established in accordance with clause 8.2.3 of the NER.
- 6.2 For the avoidance of doubt, this does not alter the effect of procedures that are provided within the *MSATS Procedures and Systems* and that enable a Code Participant to block or approve transfers (or related changes in the *MSATS Procedures and Systems*) proceeding.

7 NMI creation and maintenance by Distribution Network Service Providers

- 7.1 A *Distribution Network Service Provider* must issue a unique *NMI* for each *Metering Installation* of *Small Retail Customers* in its distribution district.
- 7.2 A *Distribution Network Service Provider* must not permit a new connection to be provided to the premises of a *Small Retail Customer* without having first issued a *NMI* for the *Metering Installation* of that *Small Retail Customer*
- 7.3 A *Distribution Network Service Provider* is responsible for the ongoing maintenance, accuracy and amendment (as the case may be) of *NMIs* and *NMI Standing Data* for premises of *Small Retail Customers* in the *Distribution Network Service Provider's* distribution district and the provision of that data on request to *AEMO*.

8 Assessment of eligibility to transfer by Retail Suppliers

A *Retail Supplier* is not obliged to assess whether a *Small Retail Customer* is eligible to be supplied under a negotiated customer supply contract, when entering into such a contract with a *Small Retail Customer* in relation to premises to be supplied, where either:

- (a) the *Distribution Network Service Provider* has previously notified the owner or occupier of the premises of eligibility to choose a *Retail Supplier*; or
- (b) the *Small Retail Customer's* premises are being supplied by a *Retail Supplier* that is

not a *Standard Retail Supplier*.

9 NMI Discovery Service

- 9.1 A *Distribution Network Service Provider* must establish and operate a *NMI Discovery Service*, that is, a facility that enables a *Small Retail Customer*, or a *Retail Supplier* or electricity marketer, to obtain on request by fax, e-mail or electronically any of the following information in respect of the premises of *Small Retail Customers* within the *Distribution Network Service Provider's* distribution district:
- (a) The *NMI* and *NMI* checksum for the premises;
 - (b) The following *Standing Data* related to the *NMI -NMI* address, Local Network Service Provider, Distribution Loss Factor Code, Transmission Node Identifier Code, *NMI* Classification, Network Tariff Code, *Metering Installation* Type and Next Scheduled Read Date, *NMI* Status Code, *NMI* Suffix, Profile Name, Embedded Network (Child *NMI*) and Embedded Network (Parent *NMI*);
 - (c) Whether the *Distribution Network Service Provider* has determined under a clause 26 order that a person in relation to the premises ceases to be a *Transitional Retail Customer*.
- 9.2 The information must be provided only where the request specifies either the *NMI* or the location of the premises with sufficient accuracy to permit the premises to be uniquely identified.
- 9.3 The information requested, or reasons for being unable to provide the data requested if that is the case, must be furnished:
- (a) within two *Business Days* of receiving a request, where the *Distribution Network Service Provider* may reasonably have not issued a *NMI* (for example, in the case of a new connection); or
 - (b) within four *Business Days* of receiving a request in any other circumstances.
- 9.4 Notwithstanding clause 9.1, a *Retail Supplier* must, in the first instance, employ reasonable endeavours to obtain the information specified in that clause through the *NMI Discovery Service* available through *MSATS Procedures and Systems*.

10 Clarification of "small" customer under MSATS Procedures and Systems

For the avoidance of doubt, and for the purposes of the operation in NSW of the *MSATS Procedures and Systems* only, a *Distribution Network Service Provider* must not classify a connection point as "small" if the connection point is metered with Type 1 to Type 4 metering and the *MSATS Procedures and Systems* do not provide for connection points that

are classified as “small” to be so metered.

11 Notice of classification of Small Retail Customer

A Retail Supplier must notify the Distribution Network Service Provider within two Business Days, where the Retail Supplier determines whether or not a customer is a Small Retail Customer, and the determined classification differs from the classification stored in the MSATS Procedures and Systems.

12 Cooling-off period and actual date of transfer

12.1 *A New Retailer must ensure that the 10-day cooling-off period provided to a Small Retail Customer on entering a negotiated customer supply contract has elapsed before all approvals for a transfer are completed under the MSATS Procedures and Systems.*

12.2 *This requirement does not apply where a small retail customer has entered a solicited agreement and requested earlier commencement of supply necessitating immediate provision of connection services, or where the customer is an unsolicited customer and the site is a de-energised site.*

13 Definitions and Interpretation

13.1 In these Rules:

“**AEMO**” means the Australian Energy Market Operator.

“**Business Day**” means a day other than a Saturday or Sunday or a public holiday designated in New South Wales.

“**Distribution Network Service Provider**” means the holder of a Distribution Network Service Provider’s licence under *The Act*.

“**Metering Installation**” has the same meaning as in the NSW Metrology Procedure for type 5, 6 and 7 metering installations.

“**MRIM**” means manually-read interval metering.

“**MSATS Procedures and Systems**” means the systems and procedures operated by *AEMO* for effecting transfer of supply to *Small Retail Customers* and for storing and providing information concerning supply for *Small Retail Customers* who may wish to transfer their supply.

“**NER**” means the rules made under Part 7 of the *National Electricity Law* as amended from time to time in accordance with that Part.

“New Retailer” means a *Retail Supplier* who has entered into a negotiated customer supply contract with a *Small Retail Customer* allowing that *Retail Supplier* to transfer the *Small Retail Customer* to the *Retail Supplier*.

“NMI” means a national metering identifier in respect of a *Metering Installation* as described in clause 7.3.1 (d) of the NER.

“NMI Discovery Service” means the service described in clause 9.1 of this Rule.

“Old Retailer” means the existing *Retail Supplier* who immediately prior to the transfer is responsible in the wholesale market for the purchase of energy that has been supplied to the *Small Retail Customer's NMI*.

“Retail Supplier” means the holder of a Retail Supplier's licence under *The Act*.

“Small Retail Customer” has the same meaning as *The Act*, and, for the purposes of this Rule, means:

- (a) customer who became eligible to enter into a negotiated customer supply contract by virtue of an order made under s.92 of *The Act* (as at 1 January 2001) and that took effect on 1 January 2001; and
- (b) A customer who became eligible to enter into a negotiated customer supply contract by virtue of an order made under clause 26 Schedule 6 to *The Act* (as at 1 July 2001) and that took effect on 1 July 2001.

“Standard Retail Supplier” has the same meaning as in *The Act*.

“Standing Data” means the set of jurisdictionally defined data listed in clause 9.2 of this Rule that must be available to *Small Retail Customers*, *Retail Suppliers* and marketers.

“The Act” means Electricity Supply Act 1995.

“Transitional Retail Customer” has the same meaning as *The Act*.

13.2 Terms and expressions used in this Rule have the same meaning as in *The Act* except terms that are expressly defined in this Rule for the purposes of this Rule.

13.3 Notes in this Rule do not form part of this Rule.