NATIONAL ELECTRICITY LAW SECTION 74

INFRINGEMENT NOTICES ISSUED TO AGL SOUTH AUSTRALIA PTY LIMITED

TO: AGL South Australia Pty Limited (ACN: 091 105 092) Level 24 200 George Street SYDNEY NSW 2000

Infringement Notice Nos.: AER47-2020 and AER48-2020

- 1. The Australian Energy Regulator (**AER**):
 - a. has reason to believe that AGL South Australia Pty Limited (ACN: 091 105 092) (AGL South Australia):
 - i. was the 'Market Participant' within the meaning of clause 2.4.1(a) of the *National Electricity Rules* (**NER**) that was financially responsible for the connection points attached to the National Meter Identifiers (**NMI**) described in Schedules 2 and 3; and
 - ii. has breached clause 11.86.7(h) of the NER on two (2) occasions, as described in Schedules 2 and 3 (**the alleged breaches**); and
 - b. has decided to serve these two (2) Infringement Notices on AGL South Australia under section 74 of the *National Electricity (South Australia) Law* (**NEL**).
- 2. Clause 11.86.7(h) of the NER, as described in Schedule 1, is a civil penalty provision within the meaning of the NEL.
- 3. The infringement penalty is \$20,000 for each of the alleged breaches.

Note: If AGL South Australia chooses to pay each of the two (2) \$20,000 infringement penalties, the combined infringement penalty amount is \$40,000.

WHAT CAN AGL SOUTH AUSTRALIA DO IN RESPONSE TO THE INFRINGEMENT NOTICES?

- 4. In respect of each one of these two (2) Infringement Notices:
 - a. AGL South Australia can choose whether or not to comply with the Infringement Notice. If AGL South Australia chooses not to comply with the Infringement Notice, the AER may commence proceedings against it in relation to the alleged breach. AGL South Australia is entitled to disregard the Infringement Notice and to defend any proceedings in respect of the alleged breach.

- b. If AGL South Australia chooses to comply with the Infringement Notice it must pay the infringement penalty to the AER, on behalf of the Commonwealth, by **11 January 2021**, being not less than 28 days from the date of service of the Infringement Notice, beginning on the day after the day on which the Infringement Notice is served (**the compliance period**).
- c. To ensure payment is made in accordance with the Infringement Notice, payment must be received on or before **11 January 2021**.
- d. If AGL South Australia pays the infringement penalty within the compliance period, the AER will not institute proceedings in respect of the alleged breach unless the Infringement Notice is withdrawn before the end of the compliance period in accordance with section 79 of the NEL.

HOW TO PAY AN INFRINGEMENT PENALTY

- 5. AGL South Australia may pay each of the two (2) \$20,000 infringement penalties in three ways:
 - a. by cheque made out to the "ACCC Official Administered Account",* enclosing a copy of the Infringement Notice to:

Australian Energy Regulator GPO Box 520 MELBOURNE VIC 3001

You should allow at least five business days for payment to be received

or

b. by electronic funds transfer to the following account:*

Account name: ACCC Official Administered Account

BSB: 032-730 Account: 146550

Please ensure that you include the Infringement Notice No. AER47-2020 and/or AER48-2020 for each infringement penalty being paid in the description field of your electronic funds transfer to identify payment.

You should allow at least two business days for payment to be received.

or

c. by credit card via the ACCC online payment system at www.accc.gov.au/payments.*

Please ensure that you include the Infringement Notice No. AER47-2020 and/or AER48-2020 for each infringement penalty being paid in the description field of your electronic funds transfer to identify payment.

You should allow at least two business days for payment to be received.

- * The Australian Competition and Consumer Commission handles the receipt of infringement penalty payments for the AER on behalf of the Commonwealth of Australia. All payments received are paid into the Consolidated Revenue Fund.
- 6. Please allow sufficient time for your payment to be received within the compliance period.
- 7. AGL South Australia will be issued with a Tax Invoice following payment of each infringement penalty.

DATE OF ISSUE: 7 December 2020

Clare Savage

Chair

Australian Energy Regulator

SCHEDULE 1

RELEVANT RULES

1. Clause 11.86.7(h) of the NER provides as follows:

A financially responsible Market Participant which receives a notice under subparagraph (g)(3) must promptly appoint a Metering Coordinator.

2. Clause 11.86.7(g)(3) of the NER provides as follows:

Any Metering Coordinator appointed under paragraph (a) or deemed to be appointed under paragraph (c) must promptly notify the financially responsible Market Participant of a metering installation malfunction which occurs to a metering installation other than the installations referred to in clause 7.8.10(a)(1) of new Chapter 7.

3. Clause 11.86.7(h) of the NER, which is the subject of these Infringement Notices, is prescribed under the *National Electricity (South Australia) Regulations* (Clause 6(1), Schedule 1) as being a civil penalty provision within the meaning of NEL.

SCHEDULE 2

INFRINGEMENT NOTICE No.: AER47-2020

MATTERS CONSTITUTING AN ALLEGED BREACH OF A CIVIL PENALTY PROVISION: CLAUSE 11.86.7(H) OF THE NATIONAL ELECTRICITY RULES

1.	As at 22 May 2018, AGL South Austr	alia was	the financially	responsible market
	participant for the NMI			

- 2. On 22 May 2018, AGL South Australia received notice of a metering installation malfunction under clause 11.86.7(g)(3) of the NER for the NMI
- 3. On 23 February 2019, Metering Coordinator was appointed on behalf of AGL South Australia for the NMI
- 4. This delay was not reasonable in the circumstances and does not satisfy the obligation on AGL South Australia to act promptly when it received notice of the metering installation malfunction.
- 5. Accordingly, AGL South Australia breached clause 11.86.7(h) of the NER for the NMI

SCHEDULE 3

INFRINGEMENT NOTICE No.: AER48-2020

MATTERS CONSTITUTING AN ALLEGED BREACH OF A CIVIL PENALTY PROVISION: CLAUSE 11.86.7(H) OF THE NATIONAL ELECTRICITY RULES

- 1. As at 15 October 2018, AGL South Australia was the financially responsible market participant for the NMI
- 2. On 15 October 2018, AGL South Australia received notice of a metering installation malfunction under clause 11.86.7(g)(3) of the NER for the NMI
- 3. On 1 March 2019, a Metering Coordinator was appointed on behalf of AGL South Australia for the NMI
- 4. This delay was not reasonable in the circumstances and does not satisfy the obligation on AGL South Australia to act promptly when it received notice of the metering installation malfunction.
- 5. Accordingly, AGL South Australia breached clause 11.86.7(h) of the NER for the NMI