



DMS WORKSHOP 2009/10

Resolving differences -Maintaining connections.

9.30AM -12.30PM

Chapter 8 Dispute Management

- Overview process and Philosophy
- Discussion of Forms and Documents
 - Criteria for selection of pool
 - Mediation user notes and agreement
 - Form and Content of DMS
 - Reporting back to DMS contacts
 - Break
- Workshop example



SUMMARY OF PROCESS UNDER CHAPTER 8

No later than 60 business days after the date on which the disputed decision or the occurrence of the disputed conduct could reasonably have become known (8.2.4 (b))

Within 5 business days of service of the DMS Referral Notice (request for information)

Within 5 business days of service of the last DMS Referral Notice

Service of DMS Referral Notice on DMS Contact
Form 1
CI 8.2.4(c) (see user note 1)

Meeting of Representatives of the Parties to determine the further conduct of the dispute
CI 8.2.4(d)

response to a valid request for information
CI 8.2.3(3)

Serve the Form 1 DMS Referral Notice on any other party(ies)

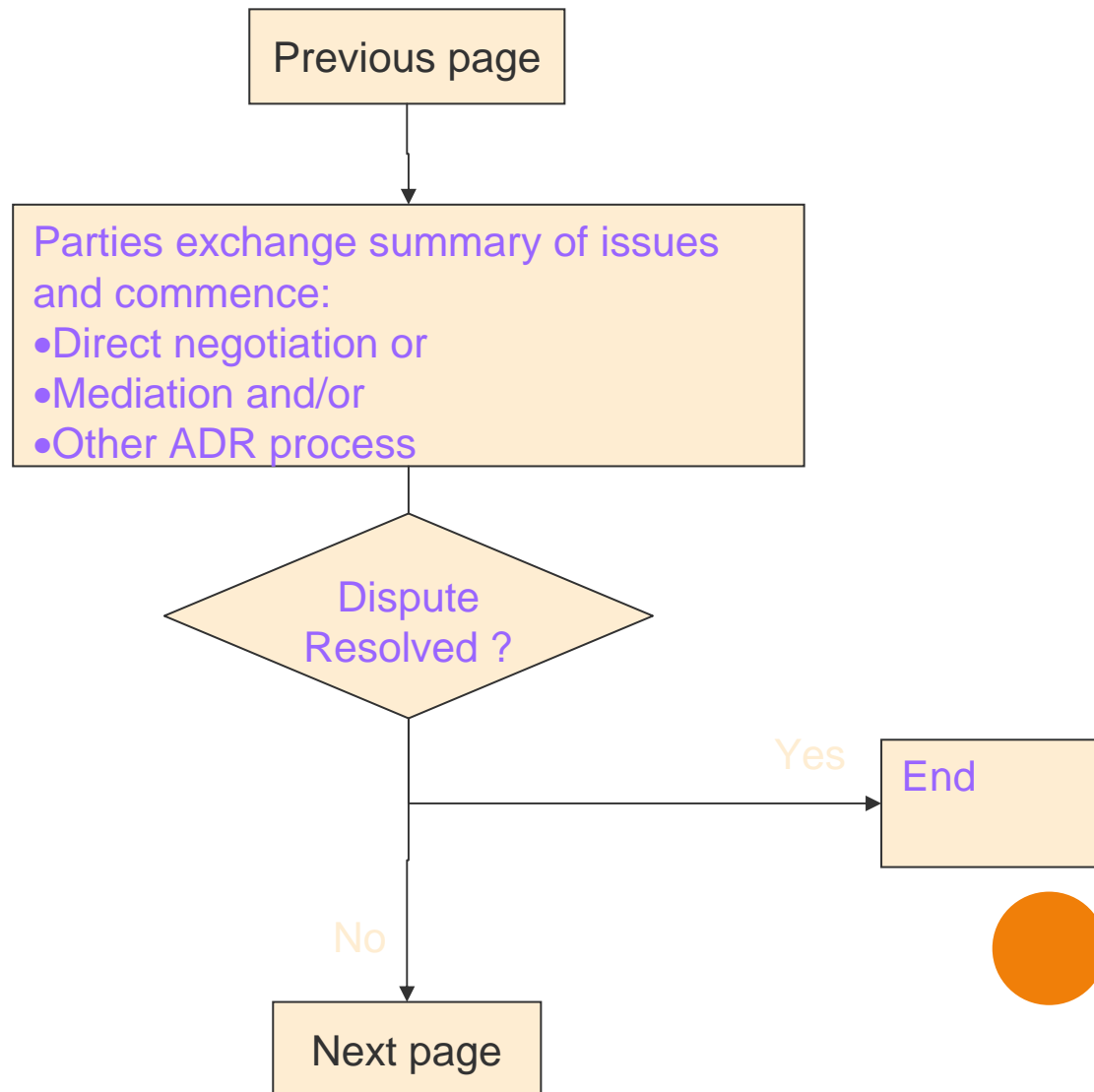
Further Meeting of Representatives – see above

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SUMMARY OF PROCESS UNDER CHAPTER 8

20 days after the last DMS
notice is on a registered
participant (less if agreed)

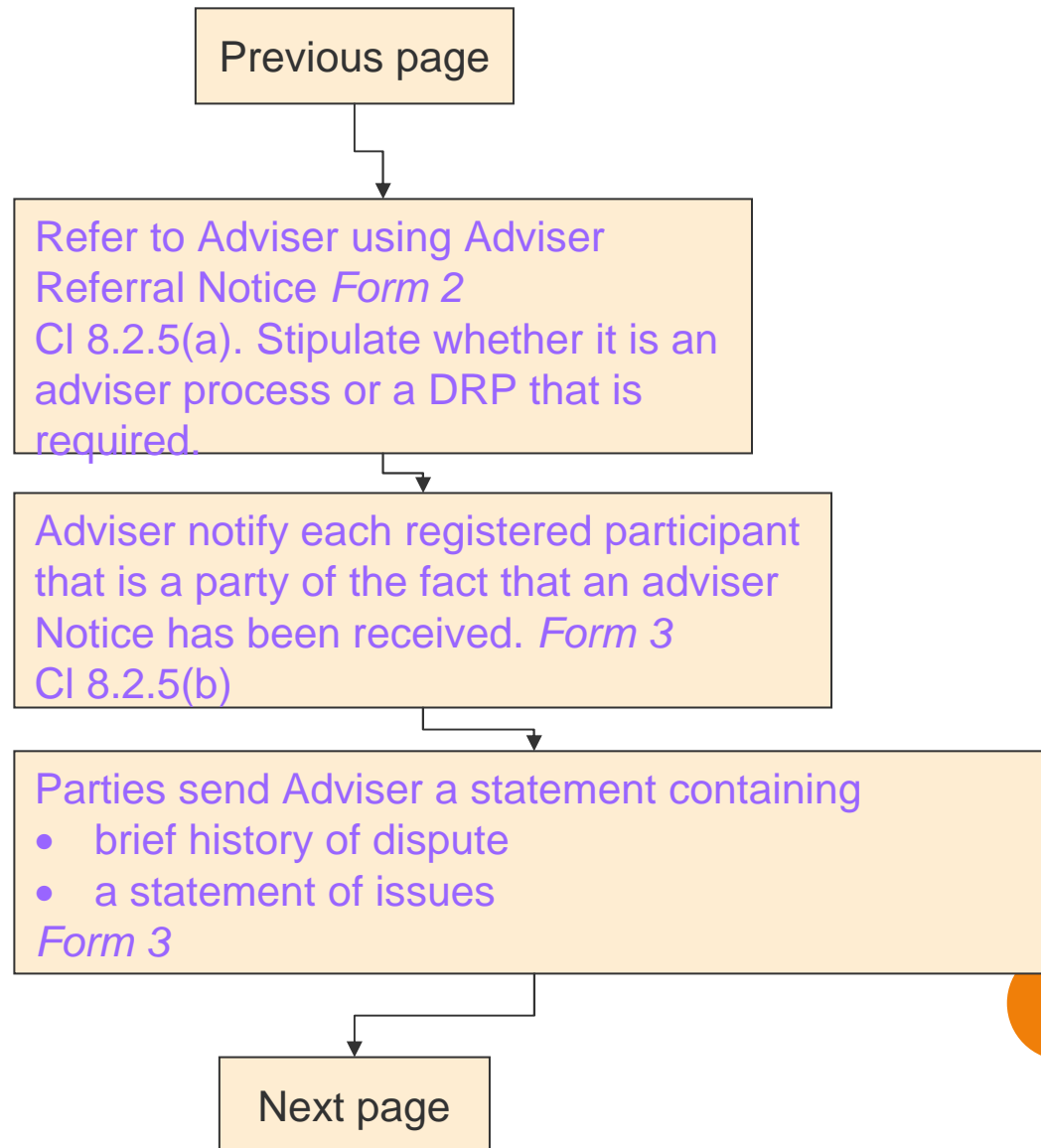


SUMMARY OF PROCESS UNDER CHAPTER 8

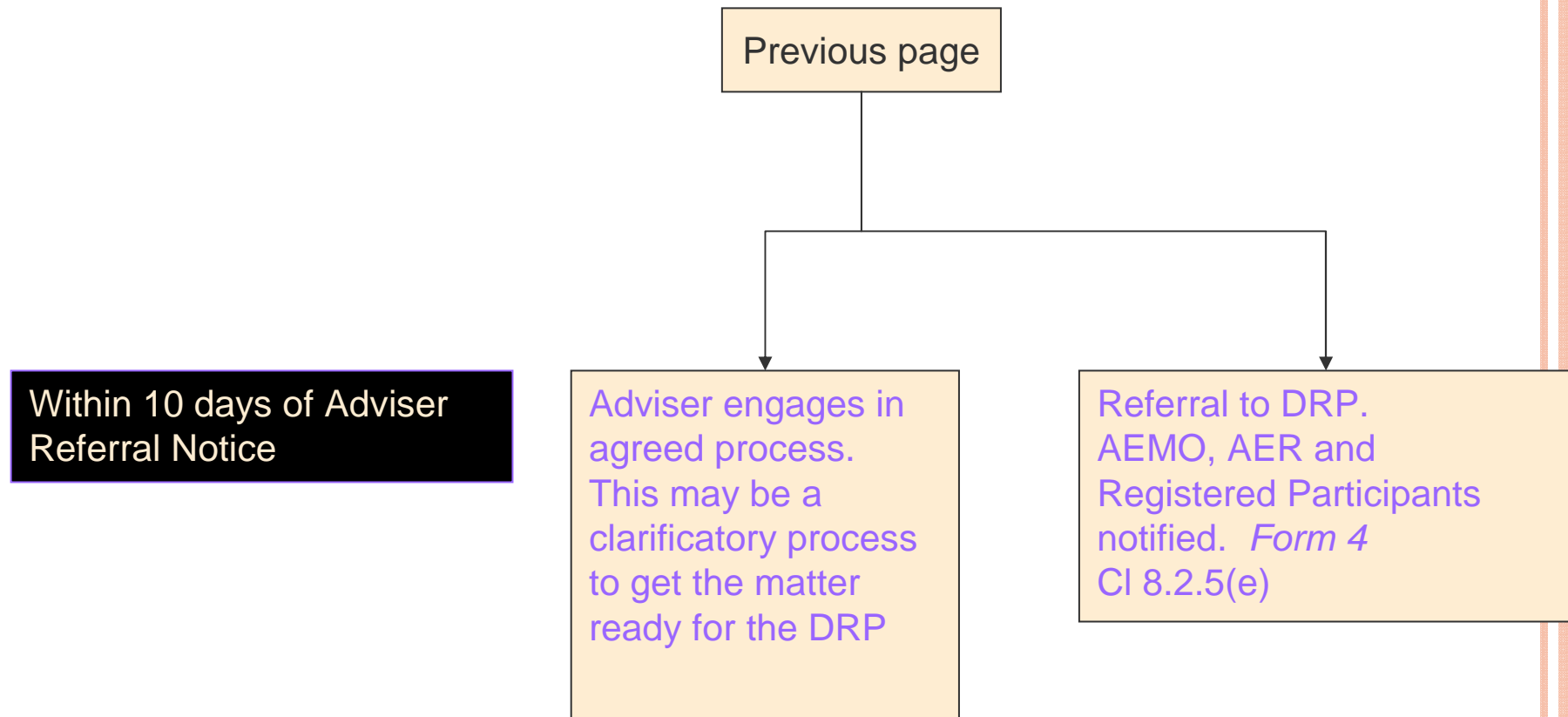
No later than 60 days after
last service of a DMS
Referral Notice

On notice

Within 5 days of notification
of referral to Adviser



SUMMARY OF PROCESS UNDER CHAPTER 8



MAJOR FORMS OVERVIEW

Referral Notices

Form 1	Form 1B	Form 2
<ul style="list-style-type: none">• DMS Referral Notice• Clause 8.2.4 (c)	<ul style="list-style-type: none">• Notification By AEMO of a Referral• Clause 8.2.4 (g)	<ul style="list-style-type: none">• Adviser Referral Notice• Clause 8.2.5 (a)

Other

Form 4	F5	Form 6
<ul style="list-style-type: none">• Market notification of Referral to a DRP• 8.2.5(e)	<ul style="list-style-type: none">• Sample of a publication note• To be deleted due to precedent now available	<ul style="list-style-type: none">• Nomination for person for a pool• To be deleted everyone uses email!



KEY DOCUMENTS

Mediation (for stage 1 DMS)

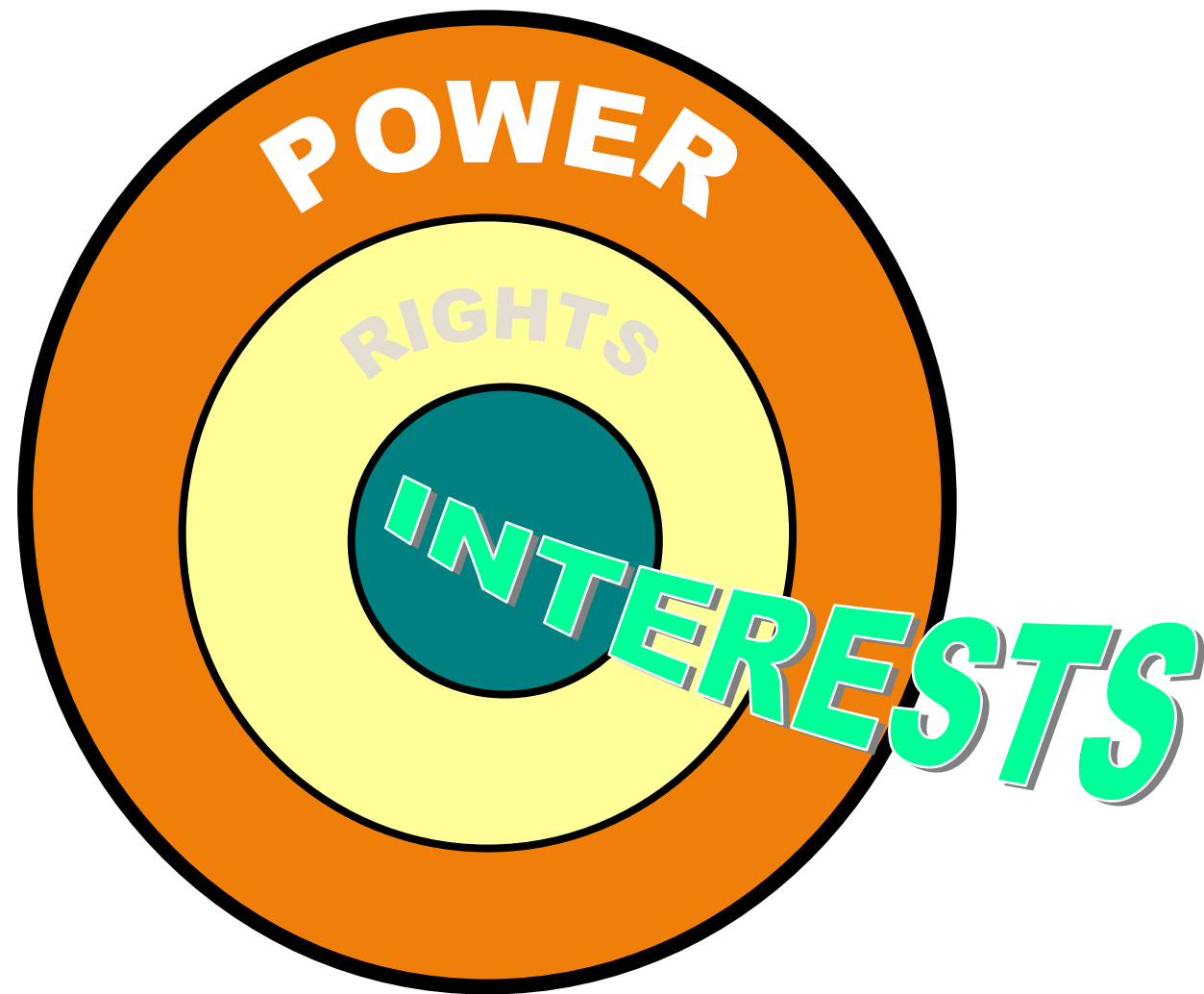
Document 5	Document 6	Proposed doc
Mediation guide	Mediation and confidentiality agreement	List of mediators or referral sources?
Sir Laurence Street	2005	Web resources?

DMS and DRP

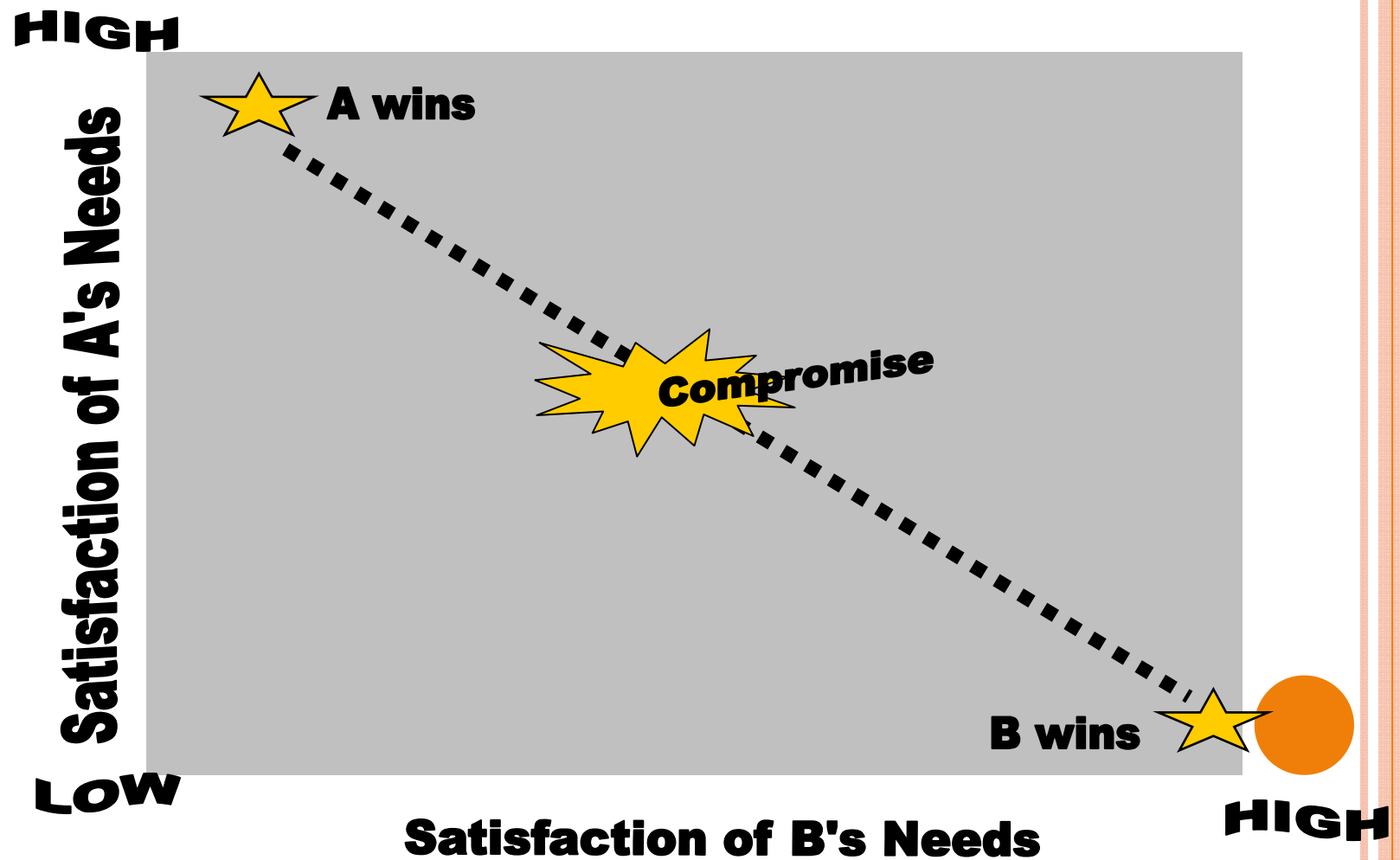
Document 8	Documents Db2	Document 9
User notes on the DMS	Sample DMS guides from various participants	D9A guidance note on Stage 2
8a2 Sample model DMS guide		Dispute Resolution agreement



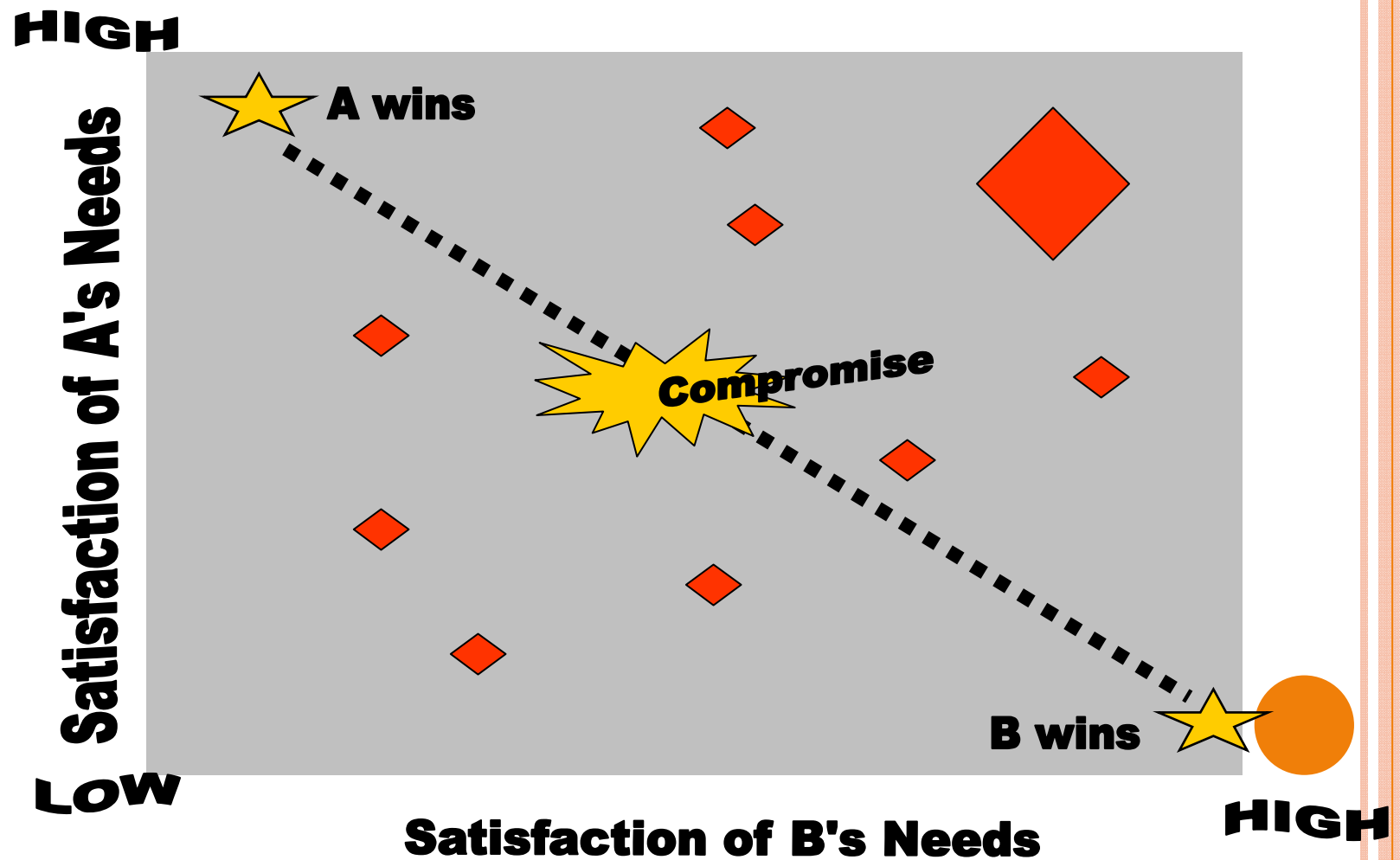
APPROACHES TO RESOLVING CONFLICT



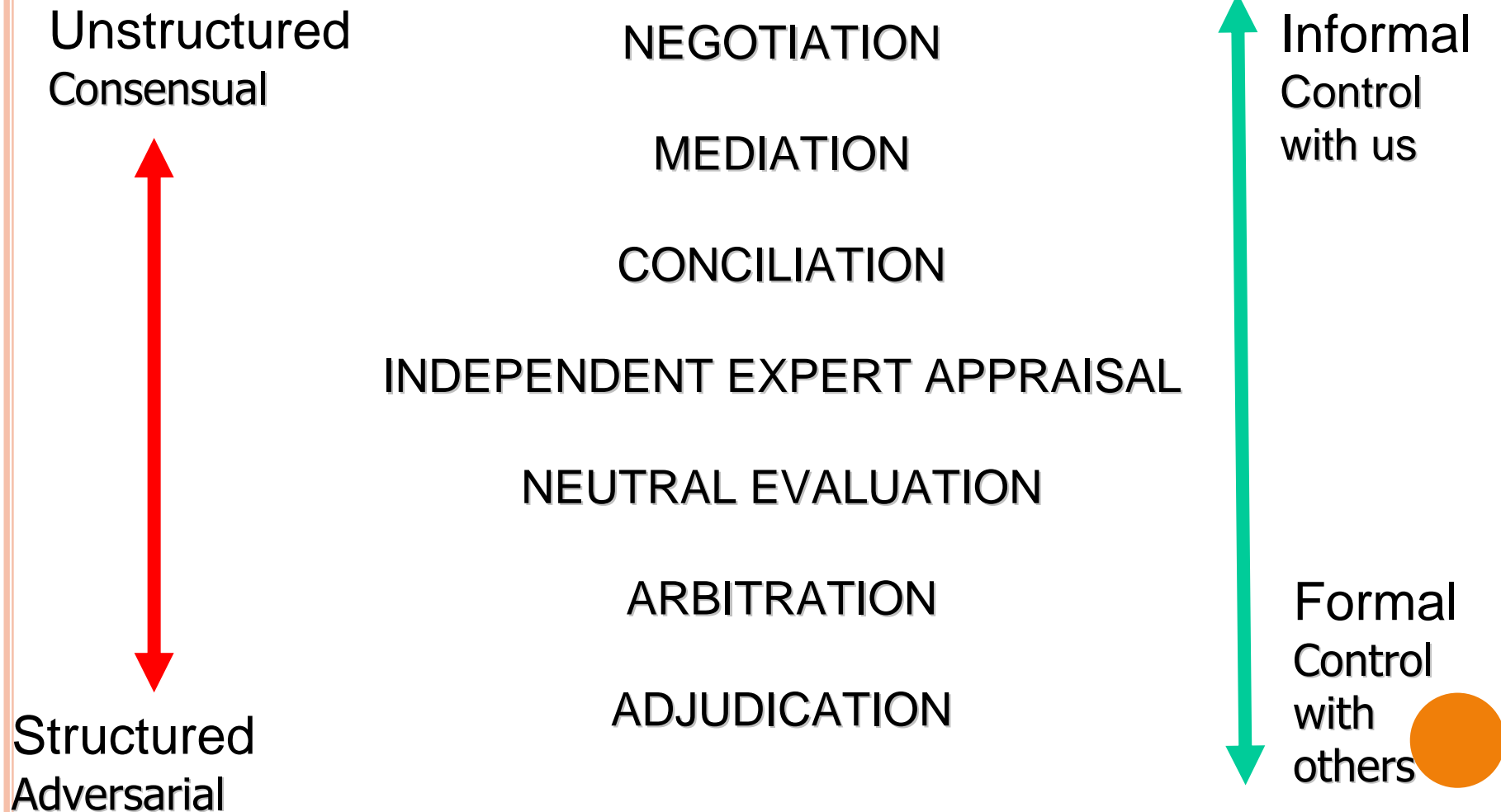
POSITIONAL BARGAINING



Interest Based Negotiation with or without a facilitator




DIFFERENT PROCESSES




SCENARIO DISCLAIMER

This scenario has been based on the PowerCorp and VENCorp issue in relation to the Wemen Powerstation in 2008/9. It has been modified and expanded for the purpose of training.



Please do not rely on this as a precedent for the forms or for an evaluation of the issues arising out of that matter.



THE BEGINNING

- Work was due to commence on a new connection terminal station at Wemen which entailed augmentation to the shared network.
- AssetCo sent a letter to Powerhouse asking for a bank guarantee to secure payments to be made by Powerhouse to AssetCo.
- Powerhouse wrote back to say that it did not understand why a guarantee was required and wanted to start work.
- A meeting was set up between the responsible line managers of the two organisations. This did not progress the matter.



DMS

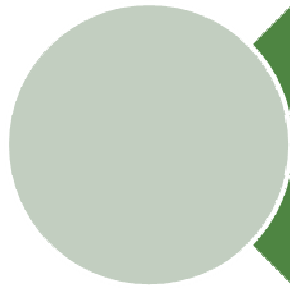
- The CEO's of the two organisations had a discussion.
- At the end of that PowerHouse sent AssetCo a formal confirmation that it would not be providing a letter of credit.

Talkingpoints

- At what point would you brief the DMS contact?
- What would be his/her role?
- Would you consider sending a DMS notice- and what is your reasoning?



THE NEXT STEPS



PowerHouse DMS contact sends a DMS Notice form 1.



There is a meeting of the DMS contacts and the line managers.

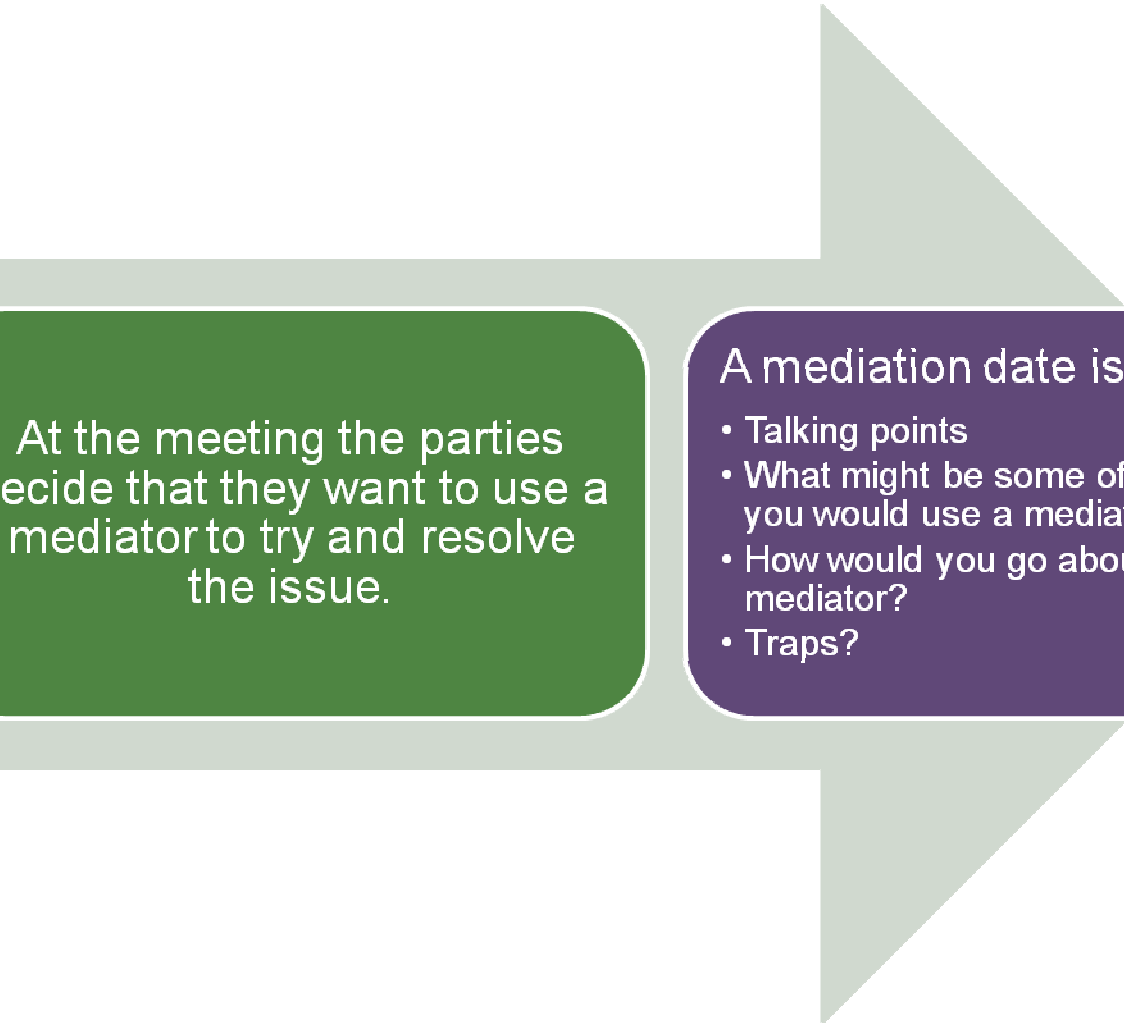


Talking points

- When do the time frames start to run?
- What could be on the agenda for the meeting
- Who might you have at that meeting?
- Would you consider having it facilitated?



STAGE 1 PART 2 MEDIATION.



At the meeting the parties decide that they want to use a mediator to try and resolve the issue.

A mediation date is set.

- Talking points
- What might be some of the reasons you would use a mediator?.
- How would you go about selecting a mediator?
- Traps?

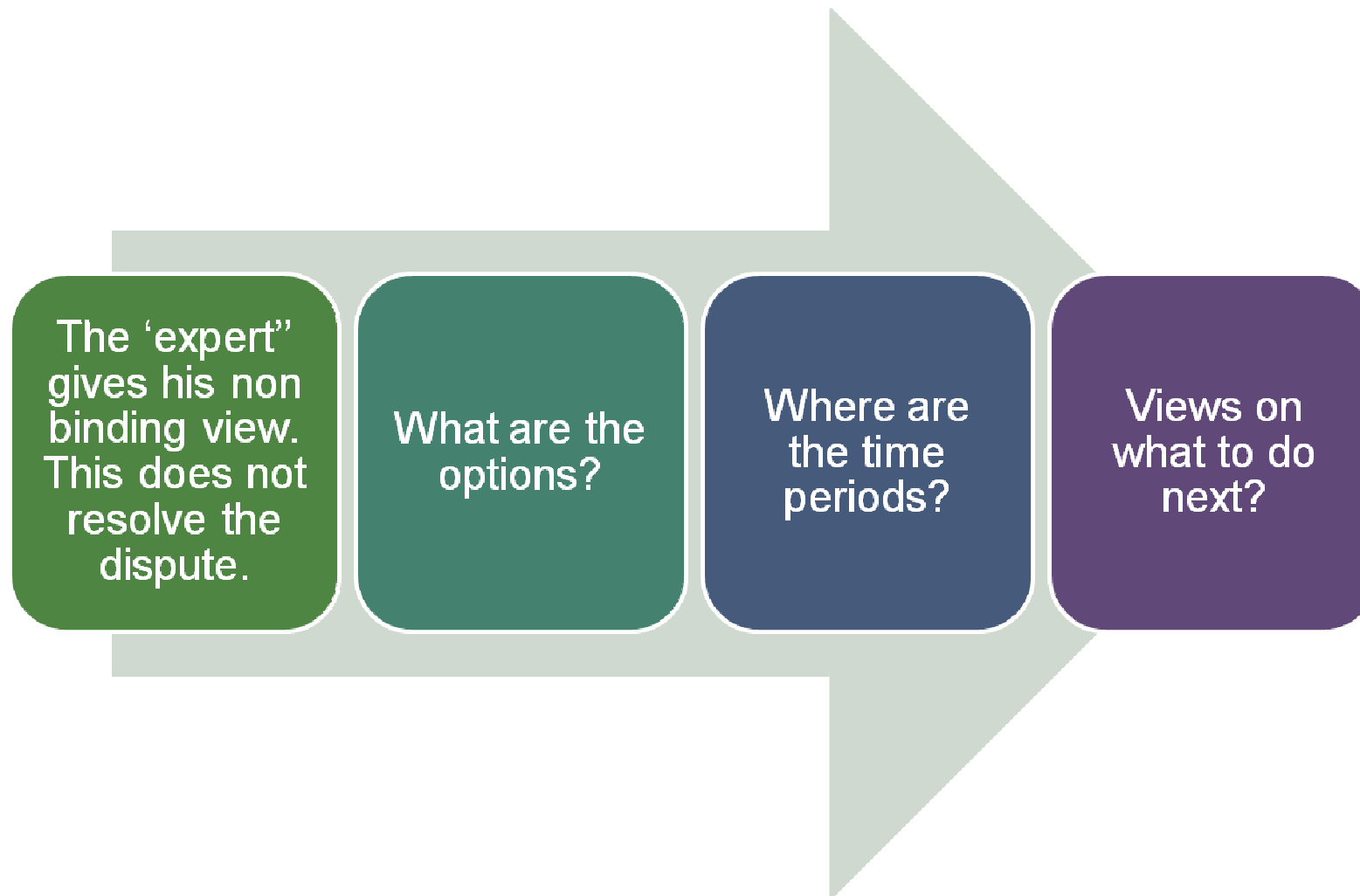


MORE INFORMATION

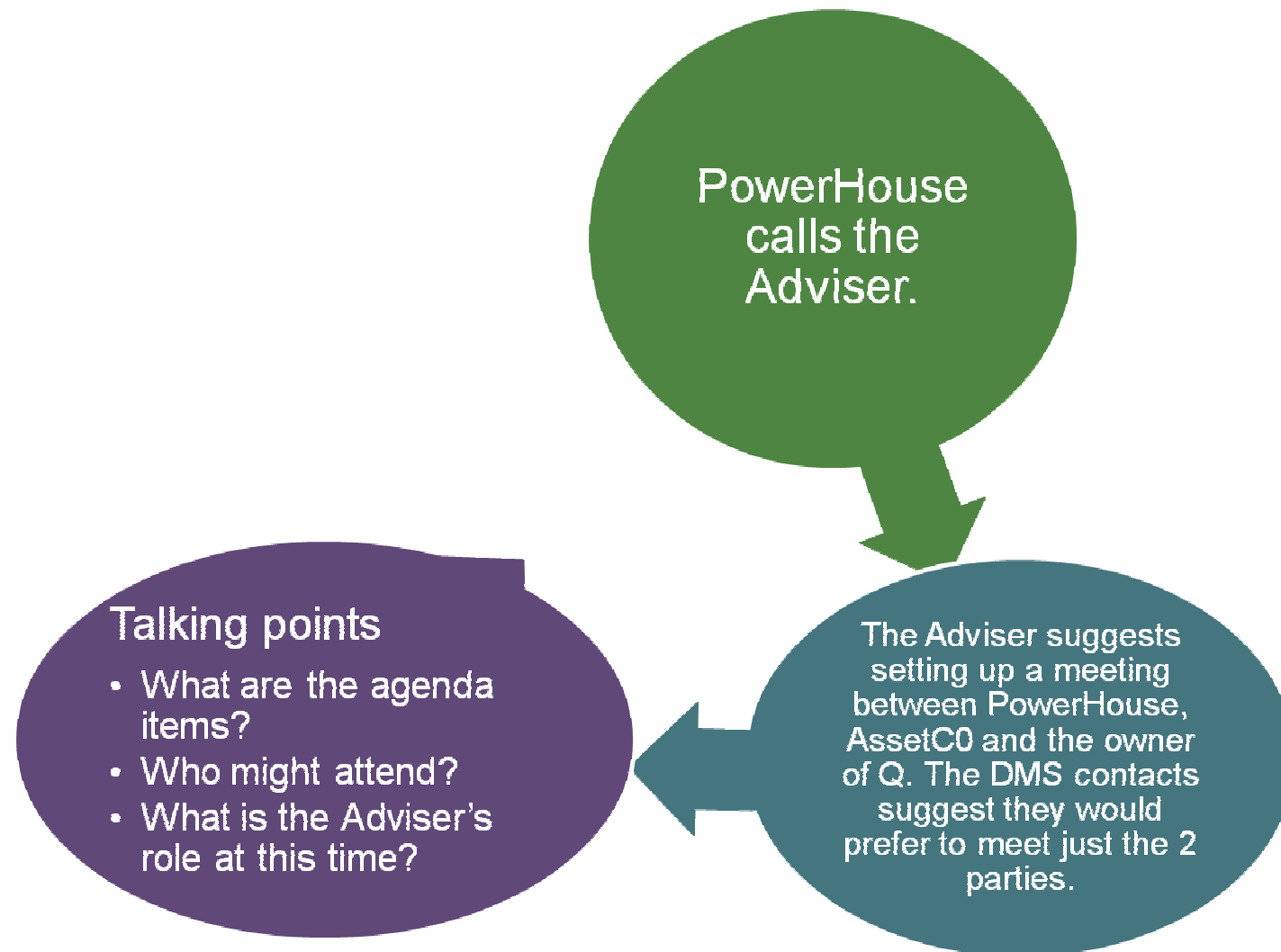
- It turns out that they have chosen an engineer to “mediate”. He thinks that a non binding evaluation on the issue could be useful. A central issue is whether the appropriate classification of the shared transmission services: are they prescribed or negotiated transmission services?
- An answer to this question may assist the parties to resolve the issue of the payment of the bank guarantee.
- If services are prescribed the recovery of the costs of augmentation will be governed by one set of provisions in the NER (version 27) if they are negotiated the cost of augmentation will be recovered through a long term contract. A negotiated long term contract outside the provisions of the NER will result in higher service costs being passed on.



STAGE 1



STAGE 2 ADVISER



ADVISER NOTICE – DISCUSSION

- Ticking the boxes
- Choosing the DRP
- Where are the time periods?



GENERAL– DISCUSSION

