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Dear Alex

REVIEW OF THE ELECTRICITY INDUSTRY CUSTOMER TRANSFER CODE

The Independent Market Operator (IMO) welcomes the opportunity to provide feedback on the Issues Paper: Review of the Electricity Industry Customer Transfer Code (Transfer Code) published on 29th April 2014.

The IMO notes that, while the Transfer Code does not govern the operation of the Wholesale Electricity Market (WEM), the arrangements for managing the transfer of contestable customers between retailers do indirectly impact on some market functions, in particular settlement of the WEM.

In the Issues Paper, the Public Utilities Office suggested the use of the term 'Trading Day' could be changed to 'Day' to align with the timeframes in the Electricity Industry Metering Code.

The operation of the WEM is based on Trading Days which uses the 24 hour period starting at 8:00 AM. This is currently consistent with the operation of the Transfer Code. The suggested change for the Transfer Code to operate on a 'Day' basis would change the timeframes to be the 24 hour period starting at 12:00 AM.

The suggested change would mean that a customer transfer would occur at 12:00 AM. This intra-Trading Day change in responsibility for a customer would result in some additional complexities for the IMO systems which calculate Individual Reserve Capacity Requirements and settle the WEM as it would no longer be the case that a meter could be assumed to have just one responsible retailer on a given Trading Day.

However, assuming that Western Power is able to provide the IMO with meter data compliant with the proposed change, the IMO would be able to amend its settlement systems to reflect the change with respect to the timing of customer transfer. It is estimated that the necessary system changes would cost around \$250,000 and could be implemented within six months of confirmation of the change.

Yours sincerely

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ALLAN DAWSON
CHIEF EXECUTIVE OFFICER

21 May 2014