

### Competitive Gas Markets

#### **Practical Full Retail Contestability**

Practical full retail contestability has been in place in the WA gas market since 31 May 2004. This means that all legal and technical requirements are now in place for new gas companies to enter the marketplace, thereby providing retail choice for all gas customers in the State.

#### **Retail Market Schemes**

All distribution systems in the State must have a Retail Market Scheme that has been approved by the Economic Regulation Authority, unless the system has only one network operator and one retailer. The network operator and all retailers on a distribution system that requires a Retail Market Scheme must be members of the approved scheme.

Retail Market Schemes enable a retail market administrator to manage the gas market for the relevant distribution system.

- Retail Energy Market Company Limited (REMCo) is the market administrator for the retail market scheme covering the Alinta distribution systems (the South-Western Coastal Area, Kalgoorlie-Boulder, and Albany). Further information can be found on the REMCo website at [www.remco.net.au](http://www.remco.net.au).
- The distribution systems in Margaret River and Leinster (operated by Wesfarmers Kleenheat), and in Esperance (operated by Burns Roe Worley) are not required to have a Retail Market Scheme.

#### **Selling Gas to Small Use Customers**

A retailer must have a gas trading licence to sell gas to small use customers (those that consume less than 1 terajoule of gas per year). Further information can be found on the Economic Regulation Authority website at [www.era.wa.gov.au](http://www.era.wa.gov.au).

### Customer Protection Mechanisms

#### **Tariff Caps**

The Western Australian Government puts a limit on the price that gas companies are allowed to charge to small use customers under a standard form contract. The tariff cap protects small use gas customers from unfair gas prices or large price changes. Tariff caps apply in the South Western Coastal Area, Kalgoorlie-Boulder, and Albany; but do not apply in Margaret River, Leinster, or Esperance.

#### **Other Customer Protection Measures**

Several other important mechanisms are in place to protect small use customers in the competitive gas market, including:

- the Energy Ombudsman Scheme (for further information, visit the energy ombudsman website at [www.ombudsman.wa.gov.au/energy](http://www.ombudsman.wa.gov.au/energy));
- the Gas Marketing Code of Conduct;
- regulations for standard form and non-standard contracts; and
- the Supplier of Last Resort scheme.

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