



Submission to Gas Industry Company on Options for Switching Arrangements

From

Contact Energy

4 November 2005

QUESTION	COMMENT
Part A	
Q1: Do you agree that the Gas Industry Co has identified the key issues in relation to current customer switching?	Yes Contact agrees
Q2: Do you agree the Gas Industry Co has identified all reasonably practicable options to meet the switching objective? If not, please provide details of any other reasonably practicable options.	Yes Contact agrees
Q3: Do you agree with the Gas Industry Co's analysis of the Status Quo Option?	Yes Contact agrees
Q4: Do you agree with the Gas Industry Co's analysis of the Reconciliation Code Enhancements Option?	Yes Contact agrees It appears this option would advance the gas industry to where the electricity industry was before October 2002 when a new Registry and associated switching arrangements were established to overcome multiple issues with inefficient switching processes, Registry accuracy, and transparency of performance and compliance.
Q5: Do you agree with the Gas Industry Co's analysis of the Central Registry Option?	Yes Contact agrees It is noted the electricity Registry post October 2002, which is now central to all ICP status changes and transfer of switching information, is materially accurate and usable as a database of record for multiple purposes including responsibility for network and metering services, and energy purchases.

QUESTION	COMMENT
<p>Q6: Do you agree with the Gas Industry Co's assessment of the potential cost of the arrangement. Do you have any information about what it would cost your company to implement a Central Registry solution?</p>	<p>Yes Contact agrees</p> <p>We have not assessed the likely cost to Contact of changes required to interface with a central registry, the actual cost will depend on the extent of alignment with the electricity registry design. We note that there are substantial similarities between the electricity arrangements and those proposed for gas, while the gas industry is also proposing some enhancements in areas where the electricity industry arrangements could be improved.</p>
<p>Q7: Do you agree with the Gas Industry Co's analysis of the Central Registry integrated with Allocation Mechanism option?</p>	<p>Yes Contact agrees</p> <p>While the gas industry in Australia has implemented an integrated solution which we may be able to leverage off, it is noted that the electricity industry in New Zealand is well down the track of implementing enhanced energy reconciliation arrangements which link to but are not integrated with the Registry as the database of record. Contact considers at this point that a similar structure for registry and allocation/reconciliation arrangements is appropriate for the New Zealand gas industry, given the relative size and risks faced by participants.</p>

QUESTION	COMMENT
<p>Q8: Do you agree that the Central Registry option is the preferred switching option for the gas industry? What are your reasons?</p>	<p>Yes Contact agrees</p> <p>Option 1 – includes unacceptable risks, is inefficient and acts as a barrier to competition.</p> <p>Option 2 – although this option would improve some aspects, we consider this option still includes unacceptable risks and inefficiencies, and would continue to act as a barrier to competition.</p> <p>Option 3 – based on our experience in the electricity industry Contact considers this option is most likely to overcome all the deficiencies we see with current gas switching arrangements, and be the most cost-effective for the industry to implement.</p> <p>Option 4 – likely to be the most costly and time consuming option to implement, although we acknowledge it is possible the Australian gas platform may be offered and may represent reasonable alignment. Contact considers, consistent with the proposed electricity framework which we support, that allocation/reconciliation submissions at aggregated level (supported by detail should an audit is required) with associated KPIs should be sufficient to manage market risks and enable identification of any performance or energy balance issues to be dealt with.</p>
<p>Part B</p>	
<p>Q9: To what extent do you agree with the high-level description of the Central Registry's services?</p>	<p>Contact agrees with the high level description of the central registry system.</p>

QUESTION	COMMENT
<p>Q10: Do you agree that all Premises on all current open access and non open access networks should be included on the Central Registry? What are your reasons?</p>	<p>Contact considers that all premises supplied with gas, whether connected to open access or non-open access networks, should be held on the central registry, and that each premise should be allocated an ICP.</p> <p>A key issue for Retailers is when a consumer calls and wishes to switch from Nova Gas (being both a Retailer only on open access networks, and a Retailer and Network Operator on its own non-open access networks), it is not obvious to people involved in initiating a notification of transfer file whether the premises is connected to an open access or a non-open access network. We consider that if all premises are allocated ICPs which are held on the registry, it would improve the ability to identify those ICPs that can or cannot be switched. It would be quite easy to identify non-open access ICPs, and include in the design less mandatory fields for non-open access ICPs.</p> <p>Including all premises supplied by gas in the registry also ensures transparency and accurate information for those organisations who may use the registry for statistics and trend analysis, such as GIC.</p>
<p>Q11: Do you agree with the analysis of user interests in the Central Registry data and processes?</p>	<p>Yes Contact agrees</p>
<p>Q12: To what extent do you agree with the Central Registry general functionality described in this section?</p>	<p>Contact agrees with the central registry general functionality described in section 10.</p>

QUESTION	COMMENT
<p>Q13: Do you agree with the proposed ICP parameters for the registry?</p>	<p>Contact agrees with most, except for:</p> <ul style="list-style-type: none"> • If at any time there is a move by the gas industry to establish a separate consumer connection certificate (CCC) database to help manage regulatory risk, where the only difference to the switching registry is the Gasfitting Certification Certificate # and date, Contact would prefer to see the two fields added to the switching registry. • The GMS price code should only be included if it covers all of the GMS equipment on site, including conversion devices, otherwise it should be POA. • For consistency with the terminology used in NZS 5259 Gas Measurement, we recommend that the metering conversion devices (corrector, logger, telemetry) be renamed as follows: <ul style="list-style-type: none"> • Conversion device owner (valid party code) <ul style="list-style-type: none"> • Data logging - on line • Data logging – manual • Non data logging
<p>Q14: To what extent do you agree with the proposed participant responsibilities, in particular the proposal that GMS parameters on the registry are maintained by meter owners?</p>	<p>Contact agrees with all of the participant responsibilities</p>

QUESTION	COMMENT
<p>Q15: To what extent do you agree with the proposed switching information exchange process?</p>	<p>Contact generally agrees with the proposed switching information exchange processes, and in particular that</p> <ul style="list-style-type: none"> • only the Retailers will be directly involved in the switch process; • that all exchanges will be interfaced to or via the registry; • that the Retailer processes will update the Retailer and status; • performance and compliance will be transparent. <p>However we have some comments as follows:</p> <ul style="list-style-type: none"> • The actual switch read should include leading zeros and be validated against the number of dials included in the GTN file • To reduce exposure of Retailers to customers who regularly switch retailers to avoid paying their energy bills, it is recommended that the customer name be mandatory in the GNT file. • Central Registry Validation of GAN (page 38) - Require further validation that correct file sequence will take place. e.g. cannot send an ICP update file while switch is in progress or process different switching file than expected. • GRR file (page. 47) – Additional data/information needs to be included to support the replacement switch read. E.g. If it is based on a customer own read then state this, if it is based on the extrapolation of two actual reads then include both actual reads and dates. This would assist the new retailer if rebilling needed to take place as a result of the original incorrect switch read. This would align better with the current process operating between Retailers in the electricity industry, although it is noted that current electricity switch read re-negotiation communications are via email.
<p>Q16: To what extent do you agree with the proposed switch withdrawal process?</p>	<p>It should be made clear that only the most recent switch can be withdrawn.</p>

QUESTION	COMMENT
Q17: To what extent do you agree with the proposed transfer read renegotiation process?	<ul style="list-style-type: none"> Contact agrees with the proposed switch read re-negotiation process, but suggests a threshold be added along the lines contemplated in electricity. Electricity has a 200 kWh threshold, below which the old retailer must accept the change, and above which it can be disputed.
Q18: Do you agree with the proposed gas registry acknowledgements and notifications process?	Yes Contact agrees
Q19: Do you agree with the proposed registry reporting capability?	Yes Contact agrees
Other Issues / Comments	
	The associated rules should mandate that when an ICP is decommissioned (other than due to an administrative error), a new ICP must be created should a gas supply be required again.
	We would like consideration given to the registry status and reason code aligning with the Disconnection & Reconnection protocol.
	There is a mix of working day and day timeframes, all time frames should all be specified as working days not days.