



S005

2 November 2005

Mr Simon Bratt  
Gas Industry Company  
P O Box 10-646  
WELLINGTON

Dear Simon

**SUBMISSION ON PROPOSED SWITCHING ARRANGEMENTS**

I thank you for the opportunity to make a submission on the Gas Industry Company's Switching Consultation Paper and attach the GasNet submission in the form provided.

For the purpose of clarification and to eliminate any potential confusion, GasNet is an independent trading division of Wanganui Gas Limited. I am aware that the retail division of Wanganui Gas Limited is also making a submission on the same consultation paper and note again for clarification that the two submissions represent the independent and separate business entities.

In reviewing the submission please be assured that GasNet is very supportive of the work undertaken by the Working Group and wishes to assist in any way it can. As I have often found with opportunities such as these it can be difficult to appear constructive whilst making comments on issues and whilst every attempt has been made to make the specific point it can often be interpreted as negative or unsupportive.

Whilst the submission is quite specific in many of the comments made, I would like to summarise the general issues as follows;

1. I found the questions difficult to answer in most instances especially as it is not possible to answer either a definitive yes, no or in degrees of agreement. I have chosen in most instances to generally agree but add

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comments relating to what I don't agree with. Whilst the paper was detailed in some instances it was not the case in the majority so became very difficult to agree with what wasn't said but what might have been implied or left to interpretation or assumption.

2. I can appreciate that the Working Group has been involved in the process to a greater extent than the consultation paper could demonstrate and as a result the conclusion that the Central Registry may be the obvious choice to the Working Group members. However I do not consider that the report provides sufficient quantified reasons for the conclusion drawn and lacks a sound cost benefit analysis of the options including the Central Registry as the preferred option. Although the Central Registry may be the best option it comes at a cost and is important that those costs are clearly understood and that there isn't an alternative that offers a better proposition.
3. I am in no doubt whatsoever that the existing switching arrangements are inadequate and that they can't continue in their present state. However that does not mean that we cannot improve them by introducing mandated rules around access to data, exchange of data and behaviour of parties. Switching is happening now albeit inefficiently, but customers can switch. I noted that it is not expected that the number of switches per annum will increase with the Central Registry (12000 per annum), so the real issue comes down to the cost of switching to the industry (and therefore end-user) as a whole.
4. GasNet has issues at present with switch notifications which are received for a Switch Date in the past. The issues are summarised as follows;
  - a. A retailer cannot supply gas to an end-user if that retailer has not entered into an agreement with the Network Operator or the GMS Owner. At their own request retailers may enter into an agreement for a specified term or open ended. Where a retailer has not entered into a new agreement and the switch occurs after expiry of the agreement or the Retailer is new and has not entered any agreement, the switch must not occur.
  - b. Where there is an issue with a specific ICP or group of ICPs at the local network level it is essential that the Network Operator knows who the end-user's Retailer is. When the issue relates to a matter of safety or reliability the Network Owner needs to communicate with the Retailer at that time and not the previous Retailer.
  - c. Retrospective adjustments to billing for ICPs becomes an issue when the post-dated switch occurs in the previous month and the accounts have been generated for the Retailers for that month.

To resolve these issues GasNet considers that either post-dated switches are not permitted or that the Network Operator and GMS Owner are notified of the pending switch either by receiving the various notifications (GAN, GTN, GWN, GWR) or by some other means.

I would welcome any opportunity to participate in a forum or on a more personal basis to discuss any or all of the issues I have raised with this submission and would suggest that the GIC consider organising a conference for all interested parties to attend. Should you wish to discuss this further please do not hesitate to contact me either by phone at (06) 349 0131 or by email at [geoff.evans@gasnet.co.nz](mailto:geoff.evans@gasnet.co.nz).

Yours sincerely

A handwritten signature in black ink, appearing to be 'Geoff Evans', written in a cursive style.

Geoff Evans  
**Network Manager**