



8 November 2005

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Dear Mr Bratt

## Submission on Options for Switching Arrangements for the New Zealand Gas Industry

1. Thank you for the opportunity to make a submission on the Gas Industry Co's consultation paper "*Options for Switching Arrangements for the New Zealand Gas Industry*", October 2005. No part of this submission is confidential. Mighty River Power would be happy for our submission to be made publicly available.

### Mighty River Power's views

2. As a general comment, Mighty River Power supports the intention to standardise and upgrade the protocols for customer switching. Mighty River Power considers that it is to the long-term benefit of end-users for barriers to switching/competition to be removed or minimised. It should also be noted that we support the Central Registry option (option 3).

3. Mighty River Power's responses to the specific questions in the consultation paper are provided below.

QUESTION	COMMENT
<b>Part A</b>	
<b>Q1:</b> Do you agree that the Gas Industry Co has identified the key issues in relation to current customer switching?	Mighty River Power agrees with the key issues. Mighty River Power does not have access to the statistics for the total number of switches per month. If we accept the number of a 1000 switches as correct as given then Mighty River Power is involved in about 60% of all switches. Mighty River Power's estimation for the total cost for a 1000 switches is approximately \$26,000 per month.

QUESTION	COMMENT
<b>Q2:</b> 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.	Agree
<b>Q3:</b> Do you agree with the Gas Industry Co's analysis of the Status Quo Option?	Agree
<b>Q4:</b> Do you agree with the Gas Industry Co's analysis of the Reconciliation Code Enhancements Option?	Agree
<b>Q5:</b> Do you agree with the Gas Industry Co's analysis of the Central Registry Option?	Agree
<b>Q6:</b> 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?	Mighty River Power agrees with the cost between \$90,000 and \$500,000 but with a higher probability that the cost will be towards the higher end and not the lower end. Mighty River Power feels that the same work will go into the project to develop the registry even if the industry is a lot smaller than the electricity industry and there will still be significant cost to make the changes and enhancements.
<b>Q7:</b> Do you agree with the Gas Industry Co's analysis of the Central Registry integrated with Allocation Mechanism option?	Agree
<b>Q8:</b> Do you agree that the Central Registry option is the preferred switching option for the gas industry? What are your reasons?	Agree. Mighty River Power considers that this is the only clear conclusion to reach when comparing the strengths and weaknesses for each option.
<b>Part B</b>	
<b>Q9:</b> To what extent do you agree with the high-level description of the Central Registry's services?	The expected volume of 12000 switches is not reasonable for the future if the growth is taken into account. The registry must also be able to cover seasonal fluctuations in number of switches per month.
<b>Q10:</b> 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?	Agree. The information should be available to all retailers to answer customer enquiries.
<b>Q11:</b> Do you agree with the analysis of user interests in the Central Registry data and processes?	Agree
<b>Q12:</b> To what extent do you agree with the Central Registry general functionality described in this section?	Agree with proposal

QUESTION	COMMENT
Q13: Do you agree with the proposed ICP parameters for the registry?	Agree
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?	Agree. With gas it is important that the GMS owners are responsible to update and complete information on the registry to ensure the correct GMS data.
Q15: To what extent do you agree with the proposed switching information exchange process?	Agree proposal
Q16: To what extent do you agree with the proposed switch withdrawal process?	Agree but clear rules needed on the reasons for withdrawals
Q17: To what extent do you agree with the proposed transfer read renegotiation process?	The replacement switch read should be supported by an actual current read.
Q18: Do you agree with the proposed gas registry acknowledgements and notifications process?	Agree
Q19: Do you agree with the proposed registry reporting capability?	Agree
<b>Other Issues / Comments</b>	

### Concluding remarks

4. If you have any queries regarding Mighty River Power's submission, or would like further information, please do not hesitate to contact either me (on 09 308 8213) or our Gas Retail Manager, Jan van Staden (on 09 580 3792).

Yours sincerely



Neil Williams  
General Manager - External Affairs