



## Switching – who does what

16 October 2009



# Switching requires the consumer to choose a new retailer

Typically, some event will trigger a desire to switch. An adverse event may rile the consumer or, more likely, a better offer is identified.

“Move” switches account for ~30% of switch activity.

# Switching governed by the Gas (Switching Arrangements) Rules 2008 since March 09

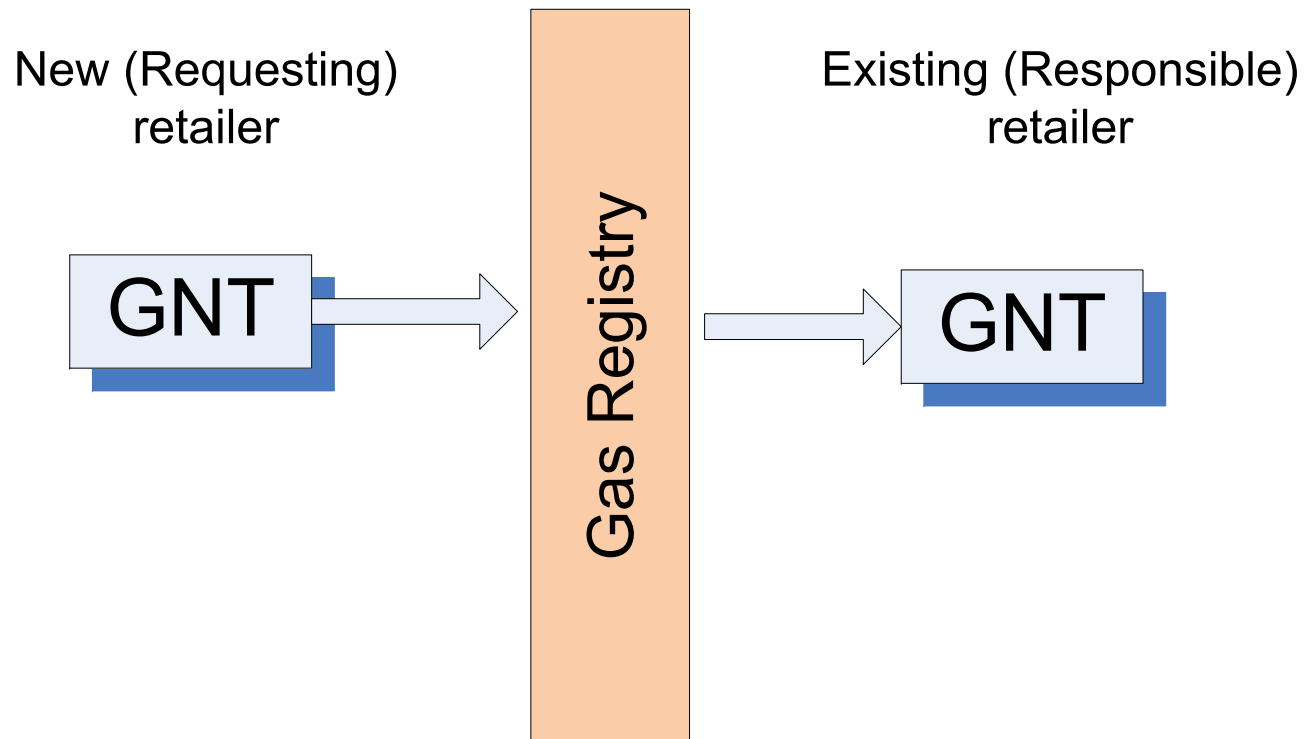


- Switches should reflect customers' wishes
- Timeframes governed by the Rules
- The consumer initiates the switch and, in many cases, may have no further involvement
- A consumer need not contact the existing retailer (although the "win back" team may contact the customer)
- Should be completed within 23 business days (and often much less than that)



# Processing a switch—

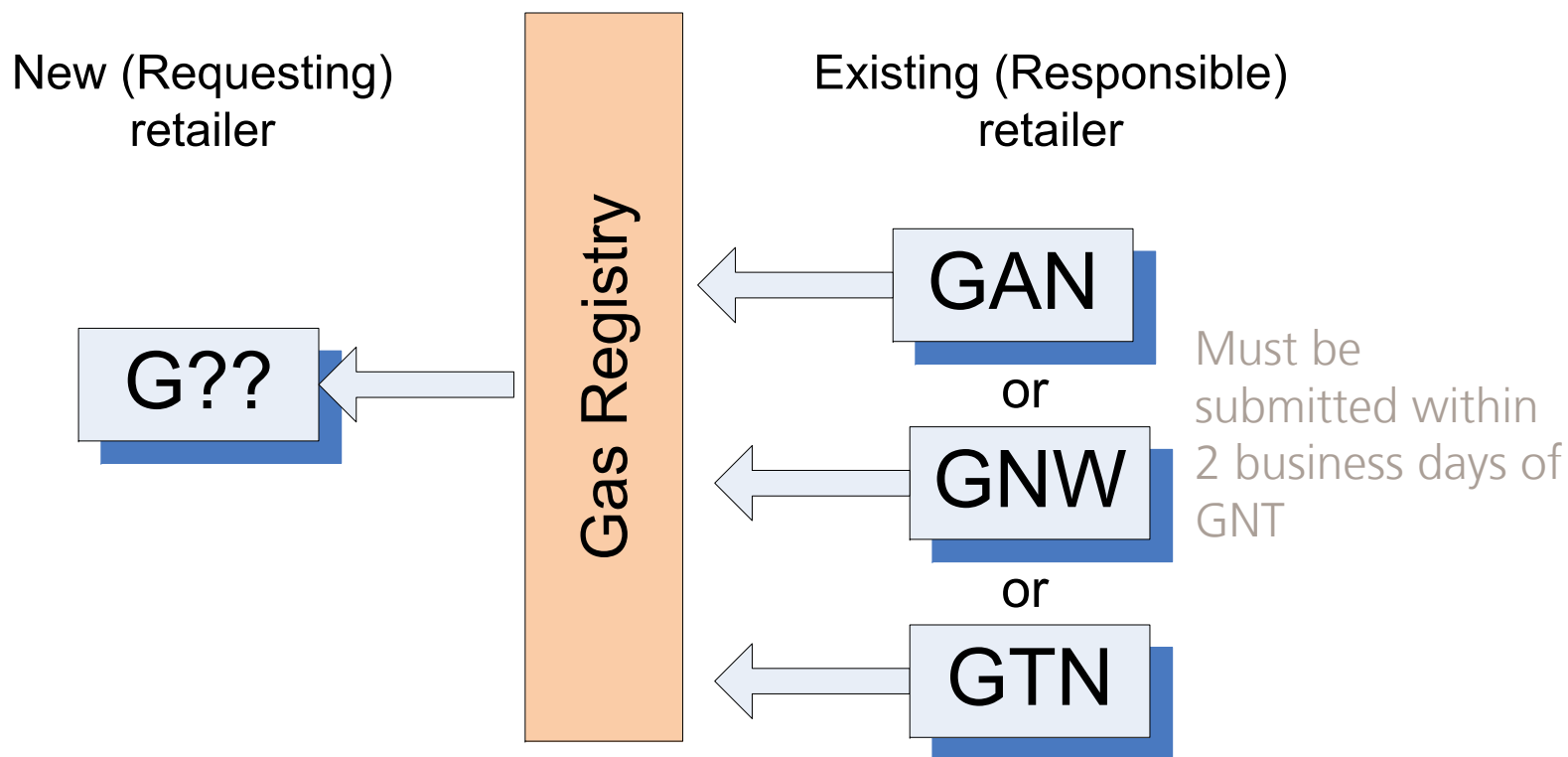
## 1. The request





# Processing a switch—

## 2. Initial response





# Processing a switch—

## 2. Initial response

GAN:

- used to signal “acceptance” of the switch request
- contains an “expected switch date”
- will also contain a response code, eg:
  - AA – acknowledge and accept
  - CO – customer is under contract
  - OC – premises is occupied (relevant for “move” switch)



# Processing a switch—

## 2. Initial response

GNW:

- used to withdraw the switch request
- contains a reason code, eg:
  - CR – customer request
  - UA – unauthorised
  - WS – wrong switch type, eg standard switch requested but premises is vacant



# Processing a switch—

## 2. Initial response

GTN: (rarely used this early in the process)

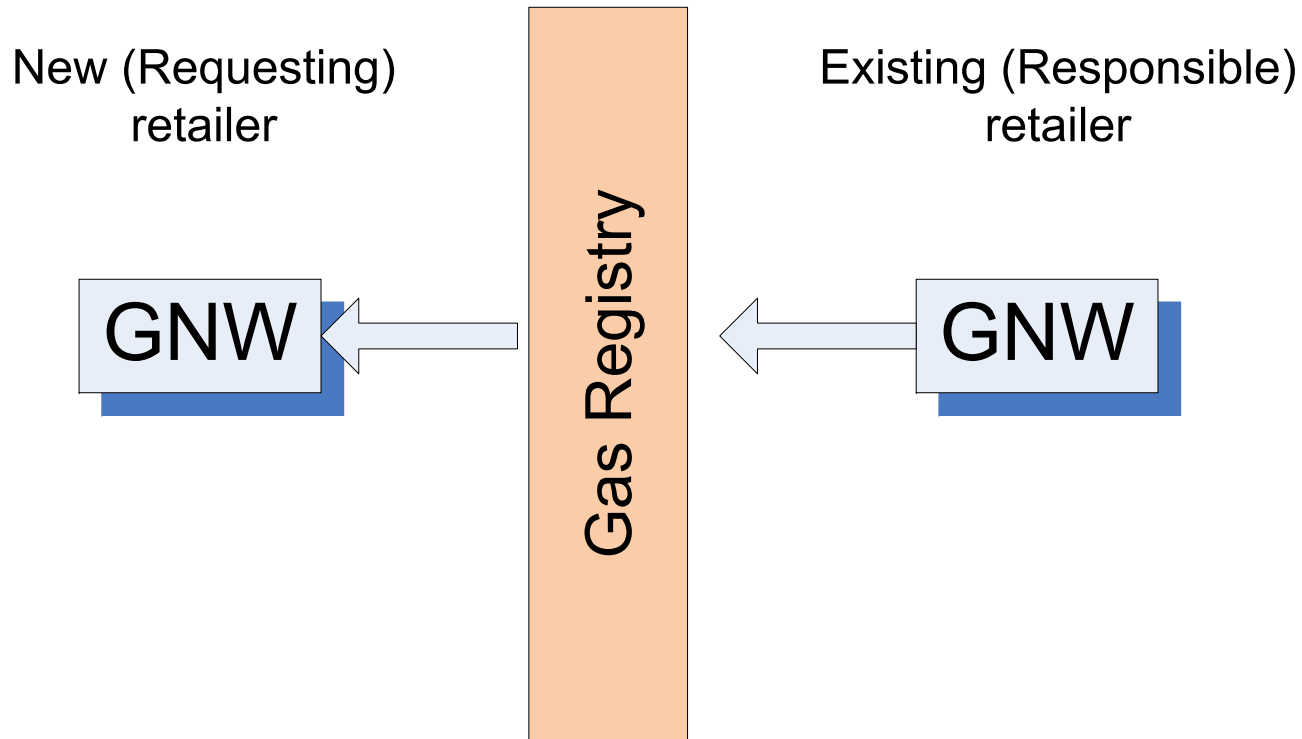
- used to complete the switch request
- contains:
  - the switch date
  - date of last actual meter read
  - switch reading (either an actual meter read or an estimate)
- must be lodged within two days of the switch date
- switch date should match any requested switch date in the GAN





# Processing a switch—

## 3. Switch withdrawals



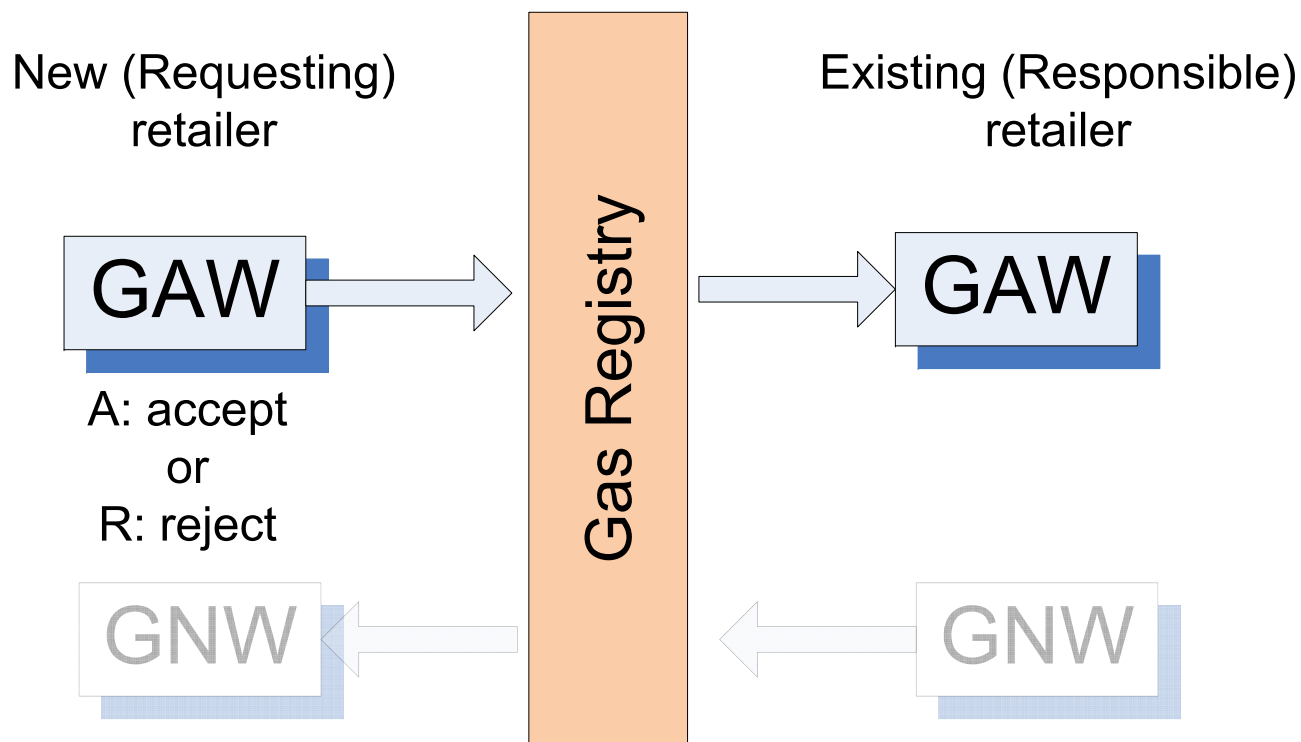
Either retailer may submit a switch withdrawal

Post-switch withdrawals are also feasible



# Processing a switch—

## 3. Switch withdrawals



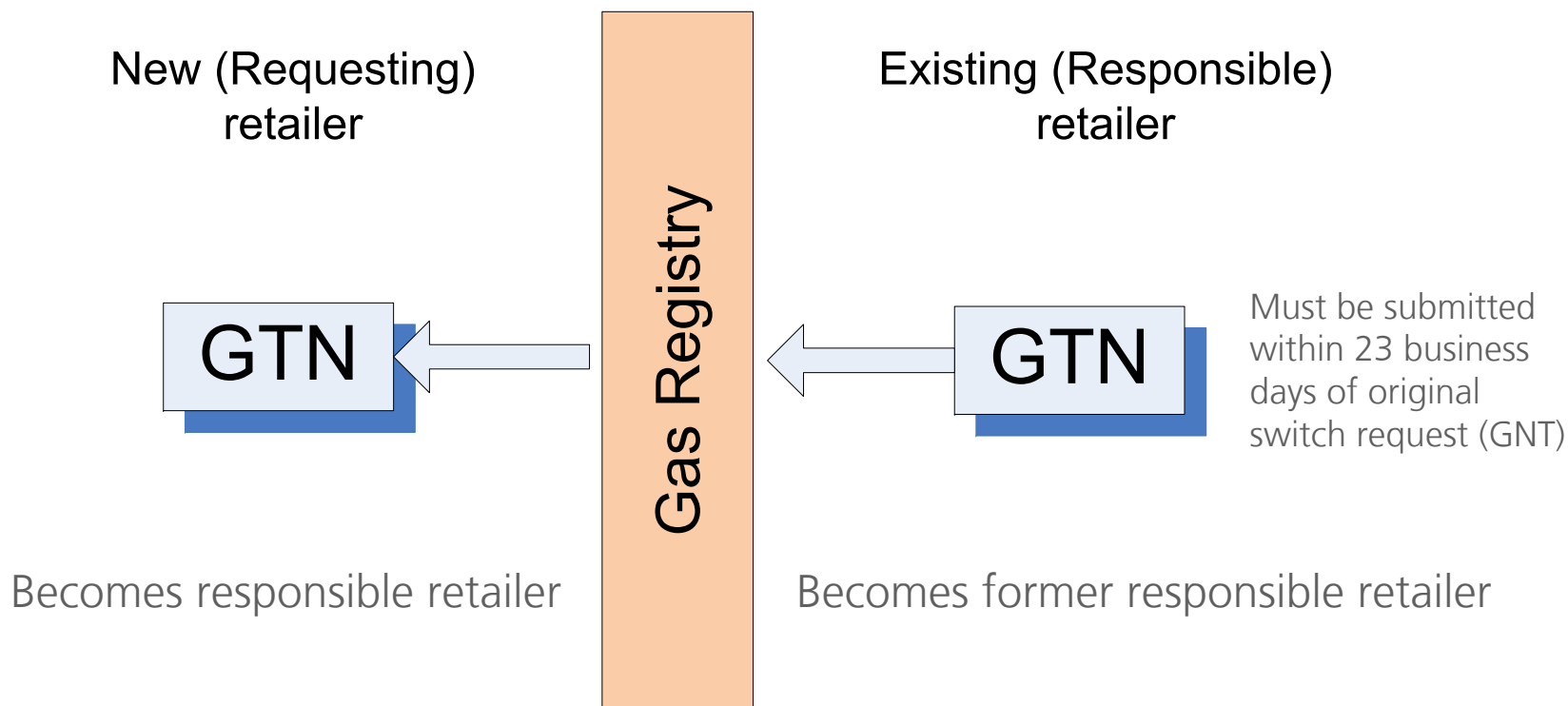
If GAW(A) then switch process is at an end

If GAW(R) then the switch is still in progress



# Processing a switch—

## 3. Switch completion





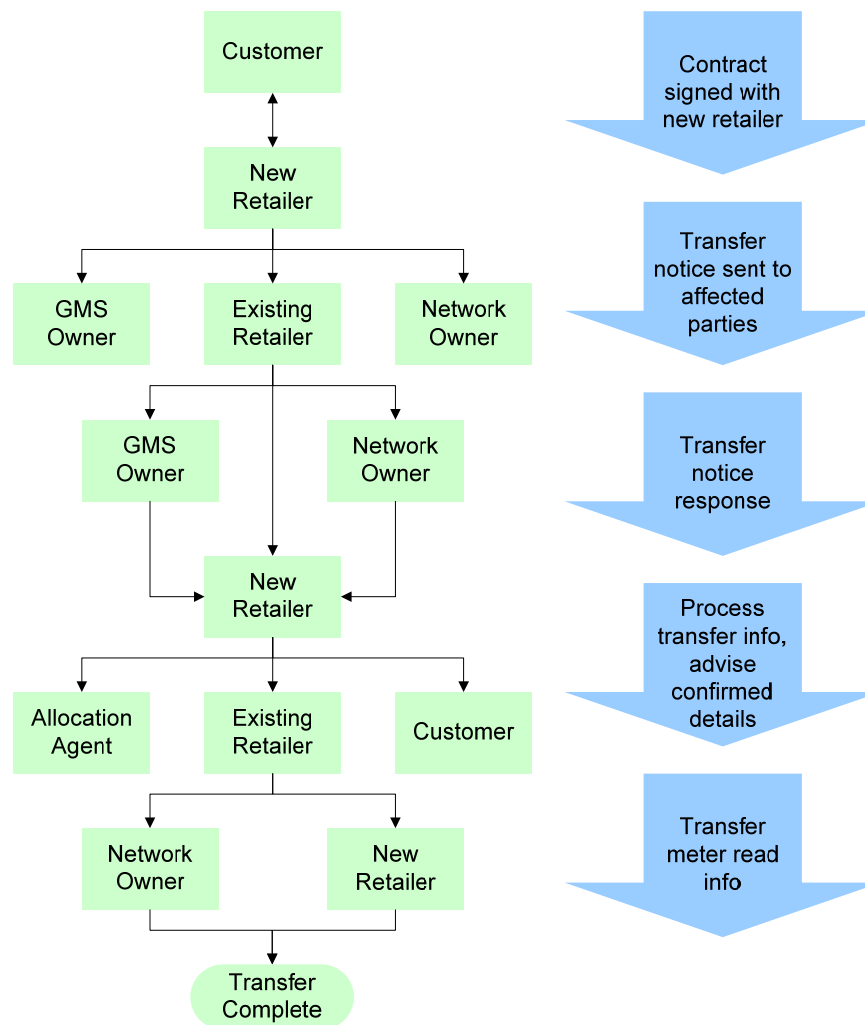
# Gas registry provides

- a database of record
  - no personal information
  - accessed by retailers, meter owners, distributors, Gas Industry Co, EGCC
- switching message receipt, validation and forwarding
- industry wide transparency and reporting
- automation and integration with internal systems
- automatic compliance reports (time breaches)



# Previous arrangement was contract-based “customer transfer protocol”

- voluntary arrangement
- ‘reasonable endeavours’ requirement to comply
- no automation
- exchanges of emails and spreadsheets
- error prone
- no enforcement





## What participants said...

- **“process was unwieldy and prone to error”**
- **“hard to resolve disputes”**
- **“disputed switches could go on forever”**
- **“switches would take 2 months, or 3 months if there was a query”**
- **“switching inefficient due to manual process and poor quality or incomplete data”**



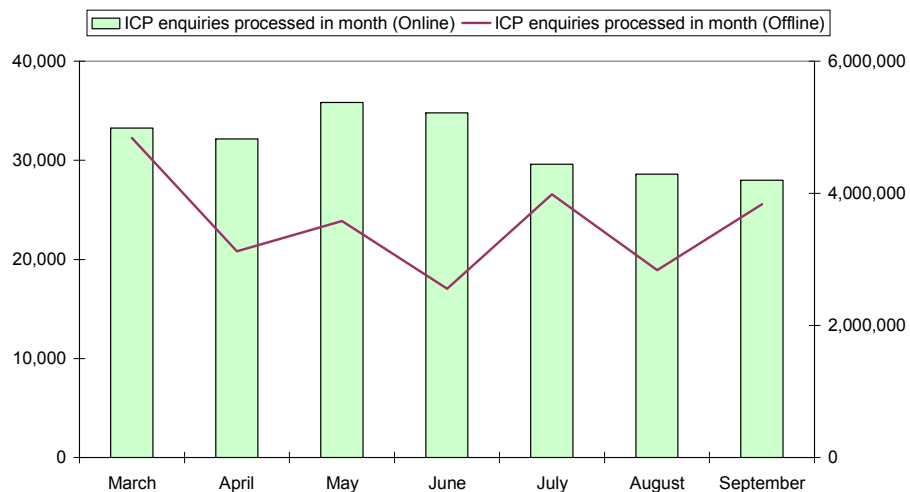
## Rules under the Gas Act provide...

- standard processes
- enforceable timeframes
- force of law
- motivation for compliance and switching best practice
- a platform for:
  - scalability
  - providing customers with greater certainty re timeframes
  - successful marketing campaigns to drive customer gains

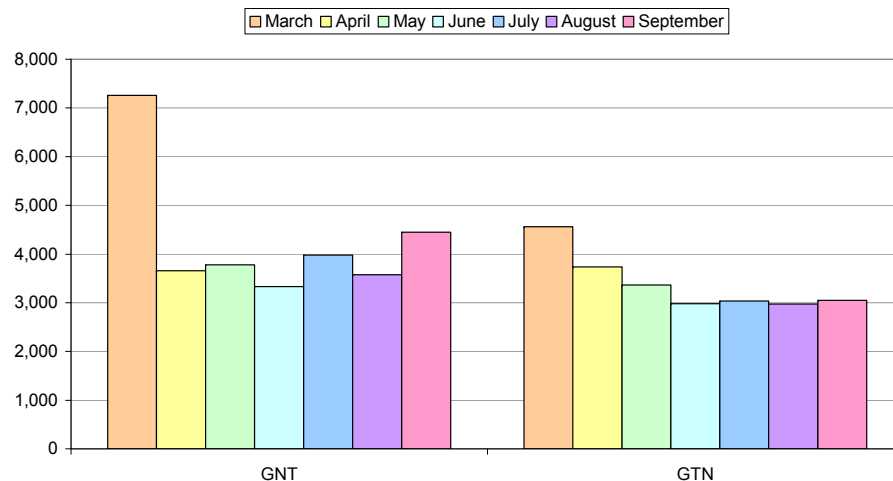


# Gas registry provides statistics

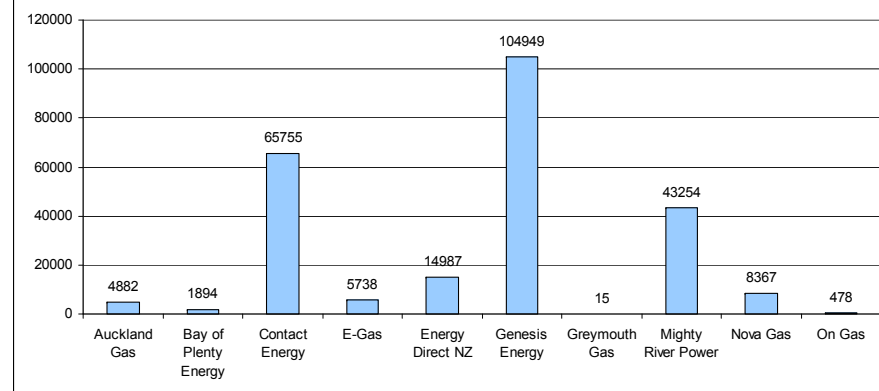
Registry enquiries



Total messages received by month



Total active ICPs by retailer







# Switch history

Event Histories			Event Data		Audits / Reversals
Event Type	Event Date	Event State	Entry Date	Rev/Rep Date	Raw Event Data
GNW	12/05/2009	Active	24/07/2009		
GAW	12/05/2009	Active	23/07/2009		,R,
GNW	12/05/2009	Active	21/07/2009		,CR,Refer_to_email
GAW	12/05/2009	Active	17/07/2009		,R,
GNW	12/05/2009	Active	15/07/2009		,O,CR,Customer_requests
GAW	12/05/2009	Active	13/07/2009		,R,
GNW	12/05/2009	Active	09/07/2009		P, ,O,CR,Customer_requests
GAW	12/05/2009	Active	08/07/2009		P, ,R,
GNW	12/05/2009	Active	06/07/2009		P, ,O,CR,Customer_requests
GAW	12/05/2009	Active	03/07/2009		P, ,R,
GNW	12/05/2009	Active	02/07/2009		P, ,O,CR,Customer_requests
GAW	12/05/2009	Active	01/07/2009		P, ,R,
GNW	12/05/2009	Active	30/06/2009		P, ,O,CR,Customer_requests
GAW	12/05/2009	Active	29/06/2009		P, ,R,
GNW	12/05/2009	Active	26/06/2009		P, ,O,CR,Customer_requests
GAW	12/05/2009	Active	25/06/2009		P, ,R,
GNW	12/05/2009	Active	23/06/2009		P, ,O,CR,Customer_requests
GAW	12/05/2009	Active	22/06/2009		P, ,R,
GNW	12/05/2009	Active	19/06/2009		P, ,O,CR,Customer_requests
GAN	12/05/2009	Active	14/05/2009		P, ,CO,23/05/2009,
GNT	12/05/2009	Active	12/05/2009		P, ,035,

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## Industry experiences

**“The major change is that ... the vast majority of switches are completed without any intervention”**

**“Manual intervention is now only required when there is an exception”**

**“The gas registry has assisted in increasing competition”**

**“Processing three times as many switches”**

**“Switch process enhanced due to automation”**

**“Fewer billing and reconciliation issues”**

**“Enables greater visibility of ICP status, retailer and meter ownership”**



observation:

switching levels have increased  
by 2-3 times



**outcomes:**

- consumers better able to exercise choice
- greater incentives for retailers to recruit new customers
- arguably greater incentive for retailers to provide good service