



**Response to the Gas Industry Company's
Consultation on Switching Operation and
Compliance**

From

Contact Energy Limited

31 March 2010

Introduction

Contact Energy welcomes the opportunity to respond to the Gas Industry Company's consultation paper. Contact's response follows over the page.

For any questions related to this submission, please contact:

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Appendix D Recommended Format for Submissions

To assist Gas Industry Co in the orderly and efficient consideration of stakeholders' responses, a suggested format for submissions has been prepared. This is drawn from the questions posed in the body of this Consultation Paper. Submitters are also free to include other material on the exemption application in their responses.

Submission from: Contact Energy, Campbell Wilson

Question	Comment
<p><i>Q1: Do participants agree with the proposed approach (currently adopted by Jade and Gas Industry Co) to disregard NEW, DST and RET breaches on the maintenance breach report)? Should alternative arrangements be put in place for assessing compliance with these rules or is it sufficient for breaches to be alleged on an ad hoc basis as they arise?</i></p>	<p>Contact agrees that these specific breach types should be excluded from the maintenance breach report. Contact believes there are sufficient alternative methods and drivers for participants to identify and report alleged breaches if necessary.</p>
<p><i>Q2: Do participants believe that further automating the production of breach reports and notices, and the inclusion of extra information, would be beneficial in the longer term?</i></p>	<p>Contact is in favour of enhancing breach report capabilities and information providing this doesn't result in additional work for participants.</p> <p>As outlined in the information paper, the Market Administrator currently has the authority to notify the participant of an alleged breach, however can also determine that the item has already been assessed as a minor event and does not require any further information or response. Contact is happy with the proposal on the assumption that the Market Administrator would still be involved in making such decisions to determine whether a response is necessary.</p>

Question	Comment
<p><i>Q3: Do participants have any further suggestions for the enhancement of the compliance process or to reduce the compliance burden (assuming that changes to the Compliance Regulations will not be progressed in the near future)?</i></p>	<p>Contact believes that improvements can be made to the compliance process where affected participants are asked to comment or provide information in relation to a pending investigation. The existing process involves the Market Administrator notifying the affected participants of the alleged breach and pending investigation and requests that they respond if they believe the alleged breach is minor in nature and immaterial.</p> <p>Contact considers the wording of the notification to affected participants should be amended to advise that if they do not respond to the Market Administrator then it is assumed there is no impact to the affected participant.</p> <p>Contact believes that shifting the ownership of the response will give a clear indication as to whether the affected participant considers the breach to be material and also whether it should proceed to investigation. Contact believes this will reduce the investigation timeframe, industry cost and impact on participant's staff.</p>
<p><i>Q4: Do participants support the proposed amendment to the registry which would remove the option to re-submit a GNW if the first GNW request were rejected? Do participants agree that following receipt of a GAN or GTN the option to request a switch withdrawal should be re-opened and unlimited withdrawal requests should be allowed?</i></p>	<p>Contact supports the proposal in the scenario where a GNT is received and a GAW (R) is sent in response then participants must submit a GAN file prior to re-sending any further GNW files, to ensure the reporting and rule requirements are met.</p> <p>In addition to the above, Contact also supports the proposal to have the ability to be able to send multiple GNW's after the GAN file, to satisfy the customer requirements and to ensure the switch process is as clean and efficient as possible. Contact believes that restricting the amount of withdrawal requests could lead to increased errors and exceptions that would need to be resolved manually by the respective participants.</p>
<p><i>Q5: If the registry is amended as per the proposal do participants consider that this gives effect to the purpose of rule 78.5? In conjunction with this change, would it be appropriate for Gas Industry Co to issue a blanket exemption or a guideline note to amend or clarify the purpose of the rule?</i></p>	<p>Contact believes that the GIC should issue both a blanket exemption and a guideline (Potentially under the determinations) to give clarity to the expected behaviours surrounding the multiple withdrawal rule and Registry functionality.</p> <p>The exemption would be beneficial where some participants could still use multiple withdrawals to frustrate or restrict the switching process. Contact believes the exemption would provide greater certainty to the Retailer that they were not going to potentially breach, or have a breach alleged against them by another participant, for a rule that doesn't improve the switching process.</p>
<p><i>Q6: In the longer term do participants feel that it is necessary for a rule change to clarify rule 78.5?</i></p>	<p>Contact believes that a rule change is required given that the existing wording does not align with industry practise and what is best for the customer. The rule should be re-written to ensure that although multiple GNW responses can be submitted, the timeframes for the GTN must still be met if an agreement between the two parties cannot be established.</p>

Question	Comment
<p><i>Q7: Do participants agree that a change is necessary to the method used by the registry for calculating days overdue where non-business days are involved? Would participants prefer that breaches which are 'zero' business days overdue not be reported or that the count of days overdue for such breaches be the number of calendar days?</i></p>	<p>Contact believes that the Registry breach calculation should not include any ICPs which are zero business days overdue. Where the breach report ICP days overdue include non-business days, the report should advise the number of business days overdue and not the total calendar days.</p>
<p><i>Q8: Do participants agree that it is sufficient to rely on manual reporting of potential breaches of rule 72.2 or is there a preference for the registry to be amended to automatically flag where an actual switch date falls after a requested switch date?</i></p>	<p>Contact agrees with the proposal to rely on manual reporting to detect potential breaches of rule 72.2. Contact does not have any issues with monitoring the GTN event dates internally and believes the additional Registry functionality is not required here.</p> <p>Contact considers a rule change necessary in the near future to combat any ambiguity and give clarity to the expectations of requested date switches and how participants process the particular type of switch.</p> <p>On a related note, Contact would also like the GIC to consider enhancing Registry validations for requested date switches where the date submitted by the gaining Retailer is prior to the GNT creation/upload date. Contact has received requested switch dates from some participants which pre-date the GNT being submitted to the Registry. Unless a withdrawal is initiated and accepted, this immediately puts the Retailer receiving such a request into breach as the Registry will not allow a GTN event date to be prior to the GNT creation date. Contact proposes that the GNT should be rejected by the Registry as a date failure and not passed on to the current Retailer.</p>