

Revised Proposal for Allocation of Switching and Registry Costs – 19 April 2007

Contact Energy Submission

Submission prepared by: Rod Crone, Contact Energy

QUESTION	COMMENT
Q1: Do you agree that the cost savings from the registry are likely to accrue in greater proportion to retailers than to distributors and meter owners?	Contact agrees
Q2: Do you agree that transactions costs are likely to be reduced by allocating costs 100% to retailers rather than split between retailers, distributors and meter owners?	Contact agrees
Q3: Do you agree that the electricity registry cost allocation may not provide a useful guide to the cost allocation for the gas registry?	Contact agrees

<p>Q4: Do you support the revised proposal to allocate switching and registry costs, both development and ongoing costs, 100% to retailers with the proportion based on their respective share of ICPs? What are your reasons?</p>	<p>Contact supports the proposal.</p> <p>The registry is primarily being established to facilitate more timely and accurate customer switching between retailers, while distributor and meter owner involvement is primarily to provide a central source of information to help facilitate quality switches and billing set-ups. The primary beneficiaries are retailers.</p> <p>As any costs incurred by distributors and meter owners will only be passed through to retailers, there is a danger that there may be an attempt to unbundle the recovery of costs from network/metering prices which then provides issues for retailers in recovering and reconciling at ICP level. If retailers incur the ongoing costs direct from the GIC the costs will be predictable, and this will improve the chances of full recovery from end consumers.</p> <p>A by-product of an accurate registry would be the provision of accurate and transparent centralised information to distributors and meter owners to support billing of fixed charges for network and metering services, and to assist retailers to reconcile charges. Retailers will benefit from being billed accurately.</p>
<p>Q5: If you do not support the proposal, what alternative proposal would you support? What are your reasons?</p>	<p>Not applicable</p>