

Contact Energy Submission – Switching Arrangements

Submission prepared by: Rod Crone, Manager Networks & Reconciliation, Contact Energy

QUESTION	COMMENT
Q1: Do submitters agree with this Regulatory Objective? If not, what do you think the regulatory objective should be?	Contact agrees
Q2: Do submitters agree with the analysis of the Proposal? If not, please state your reasons.	Contact agrees
Q3: Do submitter agree this Proposal complies with section 43N of the Gas Act? If not, please state your reasons.	Contact agrees
Q4: Do submitters have any other information that they consider is relevant to the assessment of the Proposal?	Contact agrees
Q5: Do submitters agree that the Proposal meets the Regulatory Objective? If not, please state you reasons.	Contact agrees
Q6: Do submitters agree with the benefits relative to the costs of the Proposal as set out in Appendix 2? If not, please state your reasons.	Contact agrees
Q7: Do submitters believe the Rules adequately reflect and govern the Proposal? If not, please provide all drafting amendments in mark-up.	See below
Q8: Do submitters agree with the funding options for the Proposal? If not, please state your reasons.	Contact considers it may be better for all funding to be directed to retailers on a similar basis to the GIC retail levy as the GIC costs incurred by distributors and meter owners will only be passed through to retailers. It is noted that there has been a tendency in the past for some pass through costs to be unbundled from prices thus making it difficult for retailers to predict costs which can then be recovered through retail charges and reconciled with invoices from distributors and meter owners.

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Q9: Do submitters agree with the allocation of costs for the Proposal? If not, please state your reasons.	Contact considers it may be better for all funding to be directed to retailers on a similar basis to the GIC retail levy as the GIC costs incurred by distributors and meter owners will only be passed through to retailers via the GIC retail levy. It is noted that there has been a tendency in the past for some pass through costs to be unbundled from prices thus making it difficult for retailers to predict costs which can then be recovered through retail charges and reconciled with invoices from distributors and meter owners.
Q10: Any other Comments?	See below
Clause 2.7	Given the Minister will not receive the recommendation until late in 2006, Contact considers the proposed go live date of 30 June 2007 unrealistic. This is particularly so given the number of changes from the electricity switching and registry arrangements.
Clauses 4.4 & 4.7	We understand Vector Gas is the brand for the Vector owned networks and NGC Metering for the metering business. Wanganui Gas is the retail brand but it is the network business (GasNet) that owns the meters in Wanganui.
Clause 4.15	It should be noted that in the 6 years since July 2000 only one distributor (UnitedNetworks – now inherited by Vector & Powerco in respect of the ex UnitedNetworks networks) has ever amended its network services agreement to give legal status to the Reconciliation Code.
Clause 4.21	The meter reading is forwarded to the new retailer (not distributor), and the retailer provides consumption information (kWh or GJ) to the distributor each month for billing network charges.
Clause 4.25	One distributor (Powerco) currently provides a facility for the losing (not winning) retailer to record the switch, although prior to October 2005 it was the winning retailer.
Clause 6.7	It needs to be noted here that switching transactions are only a subset of the overall registry transactions, there are a significant number of transactions and affected party notifications associated with updating the registry which have nothing to do with switching.
Clause 6.17	Given the purpose of the registry and the information held Contact would expect that the GIC would only be entitled to provide access to other than participants, the GIC and the EGCC, after consultation with participants.
Clause 11.17	Competition occurs for all customers, including mass market (residential and small-medium business) and large business customers. If the registry is to become the database of record for who the retailer is at any point in time, and the status of an ICP for allocation and network/GMS billing purposes, it must include the same switch and update processes for all ICPs. Therefore Contact would argue that the benefits attributable to the proposal should include all ICPs.
Clause 11.28	This issue is relevant to all switches, whether from or to an incumbent retailer.

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RULES	
Clause 4.2 definitions	<ul style="list-style-type: none"> • Where appropriate it would be useful to ensure the definitions are consistent with those used in electricity, or proposed to be used in electricity with the proposed reconciliation, registry and switching rule changes. • We question whether the allocation agent is really a “registry participant”. • Suggest a definition is included to clarify that the deemed time of each meter read is 24.00 on the day of the meter read, that the associated consumption data is deemed to apply from 00.00 on the day after the last meter read up to and including 24.00 on the day of the meter read, and that for standard switches the switch date is the day after the last bill to date.
Clause 12.3 Registry hours	Apart from scheduled outages it is considered the registry should be available and operational 24/7.
Clause 21.3 Payment of fees	This clause should be consistent with clause 23.3.
Clause 29.2 Notifications	Should include date <u>and time stamp</u>
Clause 31.4	Wrong reference, not sure what it should be.
Clause 32.1.3	Suggest change “Measuring” to “Metering”, consistent with other clauses and Schedule 1 part C.
Clause 32 Data security flag	We anticipate distributors and meter owners will protect pricing information for sites subject to bypass or significant competition by use of the code POA, rather than a standard price code which is hidden by the security “ON” flag and which has its own unique price available via the standard price schedule, and that POA will cover all special priced network or metering prices. If this is the case it is not clear how a retailer obtains the special price information if the data security flag is set to “ON” and the request under 32.7 does not lead the retailer to being provided with a code under 32.8 which links to a published schedule of unique pricing information.
Clauses 44 & 46 Network & Metering price category codes	How does this work for the charges which are subject to the data security flag, e.g. those with a POA code and no published price? Is 46.3 designed to cover this, if so then we need a 44.3 equivalent.
Clause 50.3	Typo
Clause 57.1	It is not acceptable to have two loss factors for an individual ICP within a month, there must only be a maximum of one.

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Clause 58	It is understood this clause is required for creation of embedded networks. The electricity industry intends to have a gateway ICP for the embedded network with a LE connection type (ICP type code), and an associated local network loss factor code for the gateway ICP. These ICPs are the responsibility of a distributor and not a retailer, and the distributor is responsible for providing metering data to the reconciliation manager. Should we not be doing the same for gas.
Clause 60.1.2	“Registry content” should be “Register content”
Clause 61.1	“switching of retailers” should be “switching of customers”
Clause 61.2.2	If the consumer agrees to an estimate, or does not agree, how is this information conveyed to the existing retailer in the GNT file as the existing retailer needs to know if it needs to obtain an actual read (and no doubt charge the cost to the consumer) as part of the final bill process. This is not covered in 63.
Clause 62.1	Typo
Clause 65	Heading should be “Response to receipt of a gas switching notice”.
Clause 65.1	“accepting” should be “receiving”.
Clause 65.3	“request” should be “notice”
Clause 66.3	Typo
Clause 68.1.8(a)	Should be “The multiplier to be used to convert from the volume derived directly from the meter reading to actual cubic metres”
Clause 68.1.8(e)	“registry” should be “register”
Clause 68.2.2	“readings” should be “reading” – x 2
Clause 69.1.1(b)	For clarity this should include leading zeros
Clause 70.2.1	The code should be ACTV (Active - Vacant)
Clauses 70.4 & 70.5	We consider these clauses are only relevant to electricity, and should not be included in these rules.
Clause 75.4	We consider the basis to support the renegotiation request must be provided.

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Clause 82.1	Typo
Clauses 82 & 83	We would have thought that these reports should enable the distributor and meter owner to obtain information to bill fixed network and metering charges, however it appears they are not structured to achieve that. If that is the case where do they obtain this information from and what is the purpose of these reports.
Schedule 1	<ul style="list-style-type: none"> • ICP Altitude – should be “mean sea level” • Allocation Group Code – delete “profile” • “Profile Code” is not mandatory • Responsible Meter Owner Code – should be “responsibility for the meter at the ICP” • Meter Location Code – will these be based on a set of standard codes provided by the Company. • Metering Price Code – we see this being problematic where there are multiple equipment owners.
Schedule 2	<ul style="list-style-type: none"> • Note that temporary liveness is required to certify an installation, and is allowed for in the Gas Act. • INACP – this status is used when the ICP is en route to being ready for the distributor to decommission the ICP, i.e. service valve turned off and capped, meter removed. Any removal of the service riser from the site will be part of the decommissioning process (DECR in Part B). Therefore “and service riser from the site” needs to be deleted. Also GMM and GSM belong on the INACT section as they are nothing to do with the permanent disconnection process.
Schedule 3	<ul style="list-style-type: none"> • From Active to Inactive Permanent – delete “a permanent change” • From Inactive Transitional to Inactive Permanent – change “may” to “is intended to”.