



## **Determinations by the Industry Body (Gas Industry Co) under the Gas (Switching Arrangements) Rules 2008**

***Powerco's submission on the  
Consultation Paper to Gas Industry Company***

***May 2008***

Question	Comments
<b>Q1</b> Do submitters have any general comments on the proposed determinations of the intended process to be adopted by the GIC in making these determinations.	Powerco has no general comments.
<b>Q2</b> Do submitters agree with the proposed process for making changes to the proposed determinations as set out in schedule 2 of appendix B.	<p>Powerco prefers that the Gas Industry Company follow the Electricity Commission's change process which is to advise all industry participants about any proposed change whether they are foreseeably affected or not. Therefore there is no need for the GIC to try to ascertain who the interested parties are, and risk excluding anyone inadvertently. If members are aware of proposed changes then it will be up to the individual parties to choose whether or not to submit a consultation response.</p> <p>We note that section 2.4 of appendix 2 states that the default period for consultation will be four weeks. We recall at the 3<sup>rd</sup> Annual Conference Mark Soper presented a proposal that this period be increased to six weeks. We would like to see the agreed six weeks for consultation become the default.</p>
<b>Q3</b> Do submitters have any comments on the proposed determinations to be made under the Rule 5 (definition of financial year and ICP identifier content), as set out in sections 3 and 4 of appendix B.	<p>Powerco has no objections to the GIC defining the financial year as beginning on the 1<sup>st</sup> of July 2008.</p> <p>Powerco has no objections to the ICP identifier in rule 5.2 in relation to new ICP's.</p>
<b>Q4</b> Do submitters have any comments on the proposed determinations to be made under Rule 33 (report access and registry information access), as set out in sections 5 and 6 of appendix B.	Powerco has no objections to the report and registry access information.
<b>Q5</b> Do submitters have any comments on the	Powerco strongly recommends that the GIC enforce the use of

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<p>proposed determinations to be made under Rule 44 (ICP parameters codes), as set out in sections 7 to 14 of appendix B.</p>	<p>different industry participant codes for electricity and Gas.</p> <p>We note in the consultation paper that Bay of Plenty Electricity (BOPE) and Contact Energy (CTCT) are proposing to use the same codes which are used in electricity. As discussed previously with the GIC, both Powerco and Vector have raised concerns where the electricity registry could become compromised by gas ICP's inadvertently being transmitted in error.</p> <p>To reiterate previous discussions, in our systems there are two fields which differentiate between electricity and gas ICP's; being a utility flag (which determines the identification code – PG) and a unique retailer code. If the gas registry (which has been designed similarly to the electricity) allows retailers to use electricity codes, then our systems will place extra reliance on call centre operators selecting the correct utility flag. This is a lot of reliance on a <u>single</u> control.</p> <p>Furthermore, there are likely to be timeliness implications for consumers if the wrong utility flag is selected and the error is not detected immediately. In addition there maybe extra administration for retailers if they have set-up this incorrect ICP in their system, they will need to decommission it and re-set it up again.</p> <p>Powerco believes that the best outcome for the GIC is to ensure that there is sufficient differentiation between electricity and gas, so not to place reliance on a single control. If the retailer codes are different from electricity this would add a dual control which creates an extra level of robustness and surety to information flows.</p>
<p><b>Q6</b> Do submitters have any comments on the proposed determination to be made under Rule 62 (retention of information on resolution of</p>	<p>Powerco intends to perform reconciliations between the registry and internal systems in the same fashion as we do for electricity. This is to reconcile each days files going in and out of the registry and fix any</p>

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discrepancies), as set out in section 15 of appendix B.	<p>discrepancies daily. As the registry data will be used as the database of reference for billing purposes, Powerco will be performing full reconciliations between business day 1 and 5.</p> <p>Powerco believes that the keeping indefinite records of reconciling items is excessive, as most financial information is kept only for 7 years. We recommend that the GIC changes the indefinite requirement to 7 years.</p>
<b>Q7</b> Do submitters have any comments on the proposed determination to be made under Rule 64 (codes relevant to switching), as set out in section 16 of appendix B.	Powerco has no comment on these codes.
<b>Q8</b> Do submitters have any comments on the proposed determinations to be made under Rule 84 (registry participant compliance reporting), as set out in section 17 of appendix B.	<p>We note that the switching compliance report is exactly the same as the Electricity Commissions PR-040 report. This report is likely to be quite useful and relevant to the GIC and to retailers.</p> <p>The maintenance compliance report is similar to the Electricity Commission's equivalent of a PR-110 report. This is a new report commissioned by the Electricity Commission as part of part J rule changes. We have reviewed the first PR-110 report from the registry and found it to be problematic.</p> <p>The scope of the report is to compare event dates on the registry with the date that the registry was updated (input date). The report includes a calculation between these two dates to work out whether ICP maintenance is in accordance with the rules, or not.</p> <p>What we have found however, is that some events such as pricing are backdated for commercial reasons and therefore while they show on the report, they are expected and reflect the reality and substance of the transaction.</p>

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	<p>For new ICP's the logic of the report only makes sense if the ICP request was approved and had no missing /incomplete information. For instance in actuality a sizable proportion of requests need further information before they are approved. As the report is not measuring the time from approval to event date, but the actual application date to the event date, ICP's appear on the report as if they were not performed in time.</p> <p>It is our belief that this PR-110 report could be useful for distributors however it is not comparing the correct elements.</p>