



22 September 2014

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Dear Kate

Response to the Gas Industry Company's Statement of Proposal

Mighty River Power appreciates the opportunity to respond to the Gas Industry Company's Statement of Proposal: *Gas registry amendments*. No part of the submission is confidential and Mighty River Power is happy for it to be publicly released.

Mighty River Power supports most of the changes in the statement of proposal, in particular the proposal to change the switch timeframe from 23 business days to 10 business days. As a dual fuel retailer, Mercury Energy generally switches dual fuel customers within the 10 day electricity switching timeframe, and we support the rule change which will provide for a better customer experience.

We consider more specific definitions for TOU and advanced meters may be needed to clearly distinguish between the two. This is because we are aware that historically some TOU sites only had a data-logger installed rather than a data logger including a volume correction device (corrector). If the Gas Industry Company (GIC) is certain that all TOU devices include correctors then we agree with the proposal. If however a supply has TOU metering without a corrector then under the new definitions proposed by the GIC these

sites would be deemed to have advanced meters installed and could potentially lead to incorrect flagging within the Registry.

A possible solution to this issue, if it still exists, is that the TOU definition could be dependent on two factors (a) whether a data-logger with or without corrector is in use and also (b) is the ICP designated as being in Allocation Groups 1 and 2 under the Gas Downstream Reconciliation Rules.

Should you have any queries in relation to any of the above or other related issues please do not hesitate to me on 09 580 3875 or phillip.brandt@mercury.co.nz

Yours sincerely

Phillip Brandt

Compliance and Process Improvement Coordinator

Mercury Energy

| QUESTION | COMMENT |
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| Q1: Do you agree with the definitions proposed for the three core metering fields? If not, please explain why and supply alternate definitions. | Yes. |
| Q2: Do you agree with the addition of these three fields to the registry? | Yes. |
| Q3: Do you agree with the definitions proposed for TOU meter and advanced meter? If not, please explain why and supply an alternate definition. | We partially agree, however consider the definitions should be refined, as suggested in our covering letter. |
| Q4: Do you agree with the proposal to add the TOU flag, but not to add the other metering fields, or change the number of location codes in use? | Yes. We agree with adding the TOU flag. Validation should be added to ensure that both the advanced and TOU flags cannot both be 'Yes'. If there are sites that aren't being supplied through a corrector, the inclusion of a corrector field in the registry to indicate this would be beneficial. We agree the number of location codes in use should be reduced and more standardised at a meter owner level. |
| Q5: Do you agree that the proposed distributor fields do not add sufficient value to warrant addition to the Registry? | Yes. |
| Q6: Given the extent of the changes required to retailers' systems, do you agree that a file versioning mechanism should be implemented? If so, do you support participant level versioning or individual report level versioning? | Yes. We support participant level versioning. |

| QUESTION | COMMENT |
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| <p>Q7: Do you agree with the introduction of audit provisions to the Rules? Do you have any comments on the audit principles or proposed rule drafting?</p> | <p>Yes. We agree with the introduction of audit provisions to the rules. Our comment on the proposed rule drafting are that only material changes ought to be notified to the GIC with 5 business days' notice together with an audit report (as is the case with the Electricity Authority, refer to clause 8 of schedule 15.1 of the Code).</p> |
| <p>Q8: Do you agree with the introduction of a validation check on the content of the Gas Transfer Notice? Do you agree that this validation should not be applied for ICPs with TOU meters?</p> | <p>Yes. We agree with the introduction of validation checks on the GTN to ensure that information passed between retailers during a switch is correct. We also agree that this validation should not apply to ICPs with TOU meters at this time.</p> |
| <p>Q9: Do you agree with the reduction of the allowed switch timeframe from 23 business days to 10 business days?</p> | <p>We agree with the reduction of the switch timeframe from 23 business days to 10 business days. As a dual fuel retailer, Mercury Energy generally switches dual fuel customers within the 10 day electricity switching timeframe. We disagree that the reduction in switch time frames will make the gas market more attractive to electricity only retailers. Decisions to enter into new markets are contingent on many operational and financially justifiable factors that are much stronger considerations than the 'barrier' of longer switching timeframes. For instance the proliferation of advanced gas meters over time (as technology costs fall) will have a more significant impact on commercial decisions to enter into the gas market, then changes to the current switching rules.</p> |

| QUESTION | COMMENT |
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| Q10: Do you agree with the amended wording of rule 61.1.1, to accommodate switches where contracts have been entered into significantly in advance of the supply commencement date? | We agree in principle with the amended wording of the rule 66.1.1. |
| Q11: Do you agree that a meter owner should have the ability to populate an ICP's metering parameters, and the responsible meter owner field, before retailer uplift of an ICP? | Yes. We agree with the proposal to allow a meter owner to claim an ICP that has not yet been allocated. We are uncertain of the incentive for the meter owner to claim the ICP as the proposed rule addition 56.3.1 states "May enter in the registry... ". This could still leave sites unclaimed in the registry. We suggest this be changed to "Must enter...". Retailers initiating connections should be uplifting the ICP that they are setting up, regardless of whether the site is being setup for new building developments or not. This will ensure that gas consumed is reported to the market and should help to reduce UFG. |
| Q12: Do you agree that ICP parameters should be able to be edited by their respective owners during a switch? Are there any ICP parameters that should remain restricted? | Yes. This change will facilitate the 10 business day switch proposal by reducing withdrawals due to errors. This proposal compliments the proposal to introduce validation checks on the GTN files. |
| Q13: Do you agree that a connection status for temporary disconnections, as provided for in Rule 59, should be added to the Registry? | We agree it should be added. |
| Q14: Do you support the development and implementation of a gas data hub? | We support the development and implementation of a gas data hub. |
| Q15: Do you have any other comments on enhancements to the Registry interfaces or other information exchange mechanisms? | No. |

| QUESTION | COMMENT |
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| Q16: Do you support the proposed minor changes? | We agree with all of the minor changes. |