



**Recommendation to the Minister of
Energy on Switching Arrangements
for the New Zealand Gas Industry**

31 May 2007

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1 Purpose

Gas customers are involved in a “switch” when they move house, start or terminate supply, or elect to change their retailer. In order to effect a switch, information needs to be exchanged between gas customers, retailers, distributors and meter owners. The purpose of this recommendation is the establishment of a central gas registry and associated switching rules (the “Switching Rules”) which will collectively provide effective arrangements for gas customers to readily switch between retailers. Improved switching arrangements will ensure improved service levels to enhance the competitiveness of the retail market. An accurate central registry will also provide benefits to retailers and distributors by reducing their costs of tracking the progress of switches, and to the reconciliation process through more accurate allocation of energy network and metering services usage between participants.

This recommendation is accompanied by a companion recommendation titled *Recommendation to the Minister of Energy on Regulations for Enforcement of Switching Arrangements* (the “Compliance Recommendation”) which recommends regulations for enforcement of compliance with the Switching Rules.

2 Background

The Government Policy Statement on Gas Governance (“GPS”) invites Gas Industry Co to recommend arrangements, including regulations and rules where appropriate, for the standardisation and upgrading of protocols relating to customer switching, so that barriers to customer switching are minimised.

Effective customer switching arrangements enable customers to readily switch between retailers, and the accuracy and timeliness of the process is an important factor for the competitiveness of the retail market. The GPS identified customer switching as one of the key areas where the Government was looking to Gas Industry Co to improve outcomes for consumers, and invited Gas Industry Co to recommend arrangements to ensure effective outcomes for consumers.

The recent independent review of the New Zealand gas industry, prepared by the Allen Consulting Group (the “ACG Report”)¹, describes the state and performance of the New Zealand gas industry. In the retail area the ACG Report indicates that:

“...it would appear that the barriers for new entrants to the.....retail sector arise from the same factors that are challenging industry incumbents:.....the transaction costs and time delays associated with retail customer switching”

The ACG Report highlights one of the major issues for the retail sector as:

“New Zealand also has a small retail gas market and, accordingly, each decision by the industry to further develop retail market systems must take account of the costs and benefits. A customer registry is being developed and there could be a need for rules to clearly spell out the links between the customer registry, the

¹ See *Report to the Minister of Energy on the Performance and Present State of the New Zealand Gas Industry*, 15 November 2006 at www.gasindustry.co.nz.

allocation and reconciliation process, and the service provided by metering providers and data agents.”

There is a general acceptance that the development of a central gas registry and switching rules is an important platform for improving retail competition and the accuracy of the reconciliation process. However, the ACG Report cautions that the development of retail systems needs to be fit for purpose and take into account the relatively small size of the retail market in New Zealand.

Currently compliance and enforcement for switching, as with other arrangements in the gas industry, depends on bilateral enforcement of terms in contracts with the monopoly pipeline businesses and industry codes. Compliance with industry codes and protocols has largely been poor partly because of the muted incentives on the parties to enforce them through the courts. The Gas Act 1992 (the “Act”) anticipates the creation of a compliance and enforcement regime to support gas governance arrangements.

A high level of compliance with the Switching Rules will help to achieve the benefits of the rules, including efficient switching and tracking of switches, minimising delays in customer switching, and providing more accurate bills leading to fewer problems for customers switching between suppliers. The result should be more efficient and fairer outcomes for consumers. For this reason Gas Industry Co is also making a recommendation for Compliance Regulations in tandem with this recommendation.

3 Analysis

3.1 Need for regulations

When selecting a gas supplier, New Zealand customers are currently able to choose between a number of retailers. The level of choice depends on where a customer lives as not all retailers operate in all geographical areas or across all market segments. Customer switching between retailers is currently governed by Part B of the Reconciliation Code with which all retailers and meter owners are required to comply through their network services agreements with the owners of the gas distribution networks on which they operate.

In response to the Government’s desire to minimise barriers to customer switching, Gas Industry Co undertook a review of switching arrangements for retail gas customers in New Zealand. That review built upon a broad industry acknowledgement of the inefficiency and sub-optimal performance of the current switching arrangements. The review confirmed that issues with the current switching arrangements can result in consequences that negatively impact upon customers and particularly upon their ability to switch retailers, thereby affecting the level of competition for those customers.

The review included the receipt and consideration of submissions from industry participants on three separate discussion papers encompassing:

- alternative ways to improve current switching arrangements;
- cost-benefit analysis of those alternatives; and
- mechanisms to implement the preferred approach;

as well as a number of workshops which were well attended by industry participants and other stakeholders.

3.2 Work undertaken

a) *Switching and Registry Working Group*

The Switching and Registry Working Group (the “SRWG”) was established in May 2005 to assist Gas Industry Co with the review. The SRWG helped oversee the initial consultation process and provided the basis for the following consultation papers.

b) *Options Paper*

Gas Industry Co issued its first Discussion Paper – *Options for Switching Arrangements for the New Zealand Gas Industry* - in October 2005 (the “Options Paper”). In the Options Paper Gas Industry Co considered three different options that had been identified by the SRWG as having the potential to address the issues identified with the current switching arrangements. While being broadly supportive of a central registry option, submitters requested that a more detailed cost benefit analysis be undertaken on all the options.

c) *Cost-Benefit Analysis*

Gas Industry Co issued its second Discussion Paper – *Cost Benefit Analysis of Options for Switching Arrangements in the New Zealand Gas Industry in March 2006* (the “Cost-Benefit Analysis”). In that paper Gas Industry Co published an independent report on the cost benefit analysis of those options. Submissions confirmed continued industry support for development of a central registry option.

d) *Mechanisms for implementation*

The third Discussion Paper – *Mechanisms to Implement a Central Registry* – was issued in June 2006 (the “Implementation Proposal”). In that paper Gas Industry Co identified three different mechanisms to implement a central registry, recommending that implementation through rules would best meet the regulatory objective. Having considered all the submissions, Gas Industry Co concluded that the only reasonably practicable option to meet the regulatory objective was to develop rules or regulations to govern switching arrangements that incorporate the establishment of a central gas registry.

e) *Statement of Proposal*

A *Statement of Proposal on Switching Arrangements for the New Zealand Gas Industry* (the “Statement of Proposal”), incorporating submissions received on the consultation papers, and input from the SRWG, was released for consultation in August 2006. A number of submissions were received on the Statement of Proposal which, after consideration by SRWG and Gas Industry Co, were incorporated into a final draft set of rules.

f) *Decision Paper*

Gas Industry Co revised the proposal and published a *Decision Paper Switching and Compliance* (the “Decision Paper”) in January 2007 which took into account the submissions received on the Statement of Proposal and sought further stakeholder input on three specific areas. That further input was incorporated into the rules recommended to implement the revised proposal (refer section 7 below).

g) *Revised proposal on allocation of switching and registry costs*

One of the key issues identified in submissions on the Decision Paper was the allocation of costs for the registry and associated switching rules. The submissions expressed a strong preference for the costs to be allocated to retailers rather than split between

retailers, distributors and meter owners. Gas Industry Co therefore reconsidered its position on cost allocation and issued a consultation paper on a revised proposal to allocate all switching and registry costs to retailers. Further details on the revised proposal and submissions received on it are set out in section 7.2 below.

3.3 Conclusion

The conclusion reached by Gas Industry Co is that the only reasonably practicable option to achieve the regulatory objective is to develop a central gas registry and associated rules for switching retail customers, and to implement the arrangements through rules established under the Act.

4 Process to Establish Rules

4.1 Power to regulate

a) *Specific power to regulate switching*

Section 43G(2)(c) of the Act currently provides that the Governor-General may, by Order in Council made on the recommendation of the Minister of Energy in accordance with sections 43I to 43P, make regulations:

“...requiring all gas retailers to comply with, and give effect to, a system or set of rules that will enable any consumer or class of consumer to choose, and alternate, between competing gas retailers, with the objective of promoting competition in gas retail markets....”

In order to implement the proposed switching arrangements it will be necessary for the recommended rules to bind gas distributors (including transmission system owners in some circumstances) and meter owners as well as gas retailers. This will therefore require an amendment to section 43G(2)(c) of the Act. The Statutes Amendment Bill (Bill no.107-1), which was introduced on 22 February 2007, proposes the following amended section 43G(2)(c) for that purpose:

“.....providing for arrangements to enable consumers to switch gas retailers...”

Once enacted, this amendment will provide the Minister with sufficient power to make the recommended rules. The Bill is currently with the Government Administration Committee which is due to report back on 31 October 2007. No submissions were received on the amendment.

b) *Supplementary powers*

Section 43S of the Act includes supplementary empowering provisions applying to any regulation or rule made under Subpart 1 of Part 4A of the Act (which includes rules or regulations for switching arrangements). Those provisions include the ability for rules or regulations to:

“(a) provide for 1 or more persons or bodies or groups of persons to carry out functions in relation to those regulations or rules, and for matters concerning their establishment, constitution, functions, members (including their appointment, removal, duties, and protection from liability), procedures, employees, administration and operation, funding by participants, and reporting requirements:

- (b) *provide for systems, processes and procedures (including dispute resolution procedures), and the keeping, supply and disclosure of information, in relation to any matters specified in this subpart:*
- (c) *prescribe the form and manner in which information is to be disclosed:*
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- (e) *prescribe when and for how long information must be disclosed:*
- (f) *exempt or provide for exemptions (including provide for the revocation of exemptions), on any terms and conditions, of any person or class of persons from all or any of the requirements in regulations or rules made under this subpart:*
- (g) *provide for the supply of information for the purpose of administration and enforcement of this Act, and regulations and rules made under this Act:*
- (h) *provide for transitional provisions:*
- (i) *provide for any other matters contemplated by this Act or necessary for its administration or necessary for giving it full effect.”*

c) Conclusion

Gas Industry Co considers that, once amended as set out in section 4.1(a) above, the Act will provide sufficient power for the Minister to make the rules which are the subject of this recommendation.

4.2 Requirements when recommending rules or regulations

a) Section 43L - consultation

Section 43L(1) of the Act requires the body recommending gas governance regulations to the Minister to:

- undertake an assessment under section 43N of the Act; and
- consult with persons that the recommending body thinks are representative of the interests of persons likely to be substantially affected by the proposed regulations; and
- give those persons the opportunity to make submissions; and
- consider those submissions.

A summary of the consultation undertaken by Gas Industry Co is set out in section 7 of this recommendation.

b) Section 43N – identification and assessment of options

Section 43N(1) of the Act requires that, before making a recommendation to the Minister, Gas Industry Co must:

- “(a) *seek to identify all reasonably practicable options for achieving the objective of the regulation; and*
- (b) *assess those options by considering –*

- (i) *the benefits and costs of each option; and*
- (ii) *the extent to which the objective would be promoted or achieved by each option; and*
- (iii) *any other matters that the industry body or the Commission considers relevant; and*
- (c) *ensure that the objective of the regulation is unlikely to be satisfactorily achieved by any reasonably practicable means other than the making of the regulation (for example, by education, information, or voluntary compliance; and*
- (d) *prepare a statement of the proposal for the purpose of consultation under section 43L(1)."*

A summary of Gas Industry Co's identification and assessment of the options for switching arrangements is set out in section 6 of this recommendation.

c) Section 43N(2) – statement of proposal

Section 43N(2) requires that the statement of proposal referred to in section 43N(1)(d) must contain:

- a detailed statement of the proposal;
- a statement of the reasons for the proposal;
- an assessment of the reasonably practicable options, including the proposal, identified under subsection 43N(1); and
- other information that Gas Industry Co considers relevant.

A summary of the Statement of Proposal in respect of switching arrangements is set out in section 5 of this recommendation.

d) Conclusion

Gas Industry Co considers that it has complied with all of the requirements of sections 43L and 43N of the Act.

4.3 Rules or regulations

Under section 43Q of the Act, the Minister may make a rule for all or any of the purposes for which a gas governance regulation may be made. In deciding whether to make a rule rather than a regulation, the Minister must have regard to only:

- the importance of the rule, including whether the rule has a material effect on the rights and interests of individuals;
- the subject matter of the rule, including whether the rule contains detailed or technical matters rather than matters of general principle;
- the application of the rule, including:
 - whether the rule applies principally to a particular group (e.g., industry participants) rather than the general public;

- whether the benefits of publication in accordance with section 43R of the Act rather than the Acts and Regulations Publications Act 1989 outweigh the costs of publication by that method; and
- the expertise and rule-making procedures of the recommending body.

Sections 43I to 43P continue to apply (with necessary modifications) as if the rule were a regulation. Section 43R applies to the method of making the rule:

- A rule may be made by the Minister publishing a notice in the Gazette that states:
 - the empowering provision for the gas governance regulation in relation to which the rule is made and a brief description of the nature of the rule;
 - where copies of the rule are available for inspection and purpose.
- A rule comes into force 28 days after the date on which it is notified in the Gazette or on any later date stated in the notice.
- The Minister and Gas Industry Co must make all rules made under section 43Q available to the public by making copies of them available for inspection free of charge at the head office of the Ministry and Gas Industry Co, on the internet in a printable form, and for purchase at a reasonable price.

Gas Industry Co has concluded that the switching arrangements should be implemented by way of rules under the Act as they primarily involve technical matters rather than matters of general principle and will only be binding on industry participants rather than the general public.

4.4 Publication of notice in Gazette

Gas Industry Co must, no later than 10 working days after it gives a recommendation to the Minister for a gas governance rule or regulation, publicise that recommendation and the assessment completed under section 43N. The recommendation will be made available on Gas Industry Co's website and notified in the Gazette for that purpose.

5 Statement of Proposal

The Statement of Proposal dated 31 August 2006 proposed the making of a recommendation to the Minister of Energy under the Act to approve rules governing switching arrangements which incorporate the establishment and operation of a central gas registry. The proposal is to:

- establish a central gas registry as a database of record for all data required to undertake a switch of a customer between gas retailers;
- set rules for the operation of the central gas registry;
- standardise data exchange protocols across the industry so that switching is effected efficiently and correct data is communicated to all affected parties in a timely manner;
- provide consistent switching processes transparent to all participants, providing certainty and enforceability to the industry; and

- ensure customer installation data is consistent across the industry enabling more accurate billing of customers and more accurate cost allocations between industry participants.

The proposal has been amended to take into account submissions on the Statement of Proposal, Decision Paper and Revised proposal on allocation of switching and registry costs. A more detailed statement of the proposal is set out in Appendix 1. The recommended rules are attached as Appendix 6.

The objective of the proposed rules is to achieve timely and accurate switching of customers between retailers, by facilitating the timely exchange of accurate and up-to-date information between customers, retailers, distributors and meter owners.

6 Assessment

Section 43N of the Act requires that, before making a recommendation to the Minister, Gas Industry Co must assess:

- the costs and benefits of each reasonably practicable option, including the proposal; and
- the extent to which the regulatory objective would be promoted or achieved by each option; and
- any other matters which Gas Industry Co considers relevant.

6.1 Identification and assessment of reasonably practicable options

In its review of current switching arrangements, Gas Industry Co identified four reasonably practicable options for achieving the regulatory objective.

Those options were:

- Status Quo.
- Reconciliation Code Enhancements.
- Central Gas Registry.
- Central Gas Registry integrated with Allocation Mechanism.

The four options were analysed against the regulatory objective and the other objectives in the GPS and the Act to assess the extent to which the regulatory objective would be promoted or achieved by each of those options. A summary of results is set out in the following table:

Options	Analysis
Status Quo	Does not achieve objective.
Reconciliation Code Enhancements	Only partially meets the objective. Does not address customer dissatisfaction. Some improvements in retail competition. High transaction costs for participants.

Central Gas Registry (Gas Industry Co's Preferred Approach)	Achieves objective. Improves service to customers. Removes barriers to competition. Reduces inefficiency of processes. Investment from industry required.
Central Gas Registry integrated with Allocation Mechanism	Improves service to customers. Removes barriers to competition. Reduces inefficiency of processes. Significant resources from industry required over longer period of time.

In the Implementation Proposal Gas Industry Co identified three different mechanisms to implement a central registry, being:

- a multi-lateral industry agreement;
- rules or regulations; and
- a hybrid of the above two options.

The detailed results of Gas Industry Co's assessment of the extent to which each of the options achieves the regulatory objective are set out in Appendix 2.

Having considered all the submissions, Gas Industry Co concluded that the only reasonably practicable option to meet the regulatory objective was to develop rules to govern switching arrangements that incorporate the establishment of a central gas registry.

6.2 Cost-benefit analysis

The principal benefits of the proposal will be to reduce inefficiencies currently encountered with switching processes, with the desired result of improving outcomes for consumers and increasing the potential for retail competition. The proposal will reduce the cost of customer switching by having a single point of reference for key switching data, around which switching processes can be coordinated. This will better facilitate the timely and accurate switching of customers between retailers and distributors, create more choice for customers and provide more accurate billing information.

Specific benefits of the proposal include:

- consistent and secure data flows between parties by having a standard switching process for all participants, effected through the registry;
- the capability for performance monitoring by recording data flows;
- transparency of the switching processes by recording the retailer responsible for an Installation Control Point ("ICP") at any point in time, including during a switch;
- improved service levels through timely and accurate switch processes;
- reduction in data discrepancy issues between participants by establishing the registry as the database of record and specifying which parties are responsible for maintaining specific data on it;

- reduction of switching costs and risks by simplifying and reducing the required transactions to complete a switch and by enabling processes to be automated;
- support for timely and accurate billing set up which reduces costs to participants; and
- assistance with current allocation and reconciliation processes by providing a record of participant responsibilities for ICPs in relation to the allocation and reconciliation of gas quantities and other service costs.

The key outcomes of implementing the proposal include:

- improvement in customer satisfaction by implementing an efficient, timely and accurate switch process;
- lower barriers to competition in the gas retail market by facilitating customer choice between retailers; and
- reduction in administrative inefficiencies and costs involved in completing a switch of a retail customer.

The quantitative assessment of the benefits of the proposal was limited to assessing the benefits that it is practical to quantify, including short-term cost savings (static benefits) and long-term efficiency gains (dynamic benefits). The benefits to consumers of a clearer set of rules governing customer switches, a more timely switching process, and more accurate billing information have not been quantified. Accordingly, Gas Industry Co considers that the level of quantitative benefits was very conservative.

The costs of implementing a central gas registry, data cleansing, data migration costs, software development cost and software ongoing costs for the proposal were estimated in the Cost-Benefit Analysis issued for consultation in March 2006. Applying a discount rate of 9% over a period of 5 years to the development and operational costs, and the static and dynamic efficiency benefits, gives an NPV range for the net benefits of \$958,949 to \$7,288,516. Further details on the estimated costs of the proposal are set out in Appendix 1. Costs will also include those of compliance. These costs are discussed in more detail in the Compliance Recommendation.

The proposal has a high net benefit and has a clear positive net benefit in the worst case scenario of lowest likely benefits and maximum likely costs. As an extreme test, it was noted that the discount rate has to reach approximately 345% for even the highest cost, lowest benefit scenario to have a negative NPV.

Although it is difficult to quantify in financial terms the qualitative benefits to consumers that will result from improvements in customer satisfaction, Gas Industry Co believes there is a strong positive net benefit under a wide range of input assumptions for the proposal.

6.3 Conclusion

Gas Industry Co's conclusion is that the only reasonably practicable option that meets the regulatory objective is the establishment of a central gas registry through rules under the Act.

7 Consultation

Section 43L of the Act requires Gas Industry Co to:

- consult with persons that Gas Industry Co thinks are representative of the interests of persons likely to be substantially affected by the proposal;
- give those persons the opportunity to make submissions; and
- consider those submissions.

Submissions were sought from all of the persons listed in Appendix 3. Submissions were received from the following persons:

- Contact Energy
- Electricity and Gas Complaints Commission
- GasNet
- Genesis Energy
- Mighty River Power
- Ministry of Consumer Affairs
- Nova Gas
- Vector
- Wanganui Gas
- Pat Cunniffe (Consumer Representative)
- Age Concern

The submissions demonstrated that there is strong support from retailers for the proposed switching arrangements and mixed support from distributors. As the ownership of meters is dominated by retailers and distributors, the meter owner perspective was accommodated by submissions from retailers and distributors. A number of key issues emerged from the submissions. Those issues, and the conclusions reached by Gas Industry Co in respect of each of them, are set out below.

7.1 Submissions on Statement of Proposal and Decision Paper

a) Regulatory objective

In response to submissions on the Statement of Proposal, the regulatory objective was extended to take into account the fact that, while distributors play a key role in supplying information to support the switching process, the objective should be to facilitate switching between retailers rather than between retailers and distributors.

b) Cost-benefit analysis

General reservations were expressed about the cost-benefit analysis included in the Statement of Proposal. Several submissions noted reservations about the methodology used for the cost-benefit analysis, and expressed concerns that it was overstating the benefits relative to the costs. Despite the reservations expressed, the submissions still

tended to support the implementation of a central gas registry and associated rules. Gas Industry Co also notes that:

- the proposal has a high net benefit even under the worst case scenario considered in the sensitivity analysis;
- the benefits in the cost-benefit analysis were limited to five years in order to adopt a conservative value of the benefits – in reality the benefits are likely to be sustained well beyond five years; and
- there is a range of additional benefits to consumers from a clearer set of rules governing customer switches, a more timely switching process, and more accurate billing information. These benefits are difficult to quantify and have not been included in the cost-benefit analysis.

Further submissions on the cost-benefit analysis were made in response to the Decision Paper. Those submissions are considered in more detail in section 7.2 below.

c) *Funding and cost allocation*

It was proposed in the Statement of Proposal that the funding of the switching and registry arrangements be divided into two categories:

- A development fee to be apportioned 50/50% between distributors and retailers based on their respective share of ICPs; and
- An ongoing fee to be proportioned 45/45/10% between distributors, retailers and meter owners respectively based on their respective share of ICPs.

Several different views were expressed in submissions and working groups regarding how these costs should be allocated amongst the various participants. Developing a fee structure to recover costs required the application of a number of standard criteria that are consistent with the various principles and objectives for the gas industry in general², being economic efficiency, user/causer/beneficiary pays, rationality, simplicity, equity, and sufficiency.

In response to submissions on the Statement of Proposal, the fee structure proposed in the Statement of Proposal was modified to incorporate a payments regime based on estimations, provisional payments and wash-ups in order to lessen potential cash flow problems for Gas Industry Co and uncertainty of costs for participants.

Further submissions on funding and costs allocation were made by Vector and Powerco in response to the Decision Paper. Both gas distributors expressed concern that the costs of the central gas registry allocated to distributors are unlikely to be matched by benefits to them. Gas Industry Co therefore decided to reconsider its position in relation to the allocation of costs and issue a revised proposal on cost allocation for consultation. The submissions received on the revised proposal and Gas Industry Co's decision on cost allocation are discussed in section 7.2 below.

² The criteria were based largely on, but with appropriate modification to, the EGEP (2001) *Paper for Governance Working Group : Cost Allocation and Fee Structure* and the report provided to MED by Charles River Associates (2003) *Recovering the Costs of the Electricity Commission*.

d) National energy registry

Some submissions suggested that there may be benefit from exploring the possible synergies from the development of a single “national energy registry” which combines both the gas and electricity registries.

Further submissions on this issue were made in response to the Decision Paper, which are discussed in more detail in section 7.2 below.

e) Commercially sensitive information

Several submissions were made on the Statement of Proposal regarding access to commercially sensitive information in the registry. In the Decision Paper it was proposed that certain network pricing and other sensitive information would only be made available on a “disclosure on application” basis.

Most submitters were generally agreeable to the proposed “disclosure on application” regime for commercially sensitive information. However, in response to submissions, the rules have been amended to clarify which types of information may be restricted on this basis, and that use of any such restrictions must be reasonable.

f) Consumer installations connected directly to transmission systems

In response to submissions, the rules have been amended to include consumer installations connected directly to transmission systems, and provision made for the identification on the registry of the person responsible for such consumer installations (including where this is the transmission system owner).

g) Implementation

Gas Industry Co will establish a Registry Establishment Team to assist with the registry specification and evaluation of tenders to provide the registry, and a Registry Implementation Team to coordinate the process of transition to the new registry. Some submissions on the Decision Paper expressed concern about the proposed timing for implementation of the registry. It is proposed that timing be further discussed with the Registry Establishment Team once it has been set up.

7.2 Points of disagreement with stakeholders

a) Cost-benefit analysis

Both Vector and Powerco made further submissions on the cost-benefit analysis in response to the Decision Paper, expressing their concern that there is unlikely to be any net consumer benefit arising from the implementation of a central gas registry. In addition, Vector submitted that it is not satisfied that the development of a central gas registry will not add significant cost overhead for the benefits received by consumers.

Vector suggested that one solution to this issue would be to run a tender process prior to the Minister giving his approval of Gas Industry Co’s recommendation, with any contract being entered into being made subject to the Minister’s approval of the recommendation. Gas Industry Co does not consider that either the Act allows it to enter into any agreement with a potential service provider prior to rules being made, or that the Minister’s approval of the recommendation can be made conditional on Gas Industry Co receiving satisfactory tenders from service providers.

Gas Industry Co has written to the three parties which provided the lowest estimates in response to Gas Industry Co’s Request for Information in January 2006 asking them to

advise Gas Industry Co if their estimates have changed in any way since that time. Two of the parties indicated that the cost inputs to their estimates have not changed materially in the past year. The other party indicated a 6.7% increase in development costs and a 31.6% increase in annual hosting costs (due to a change in hosting technology).

Gas Industry Co has therefore decided to proceed with the recommendation on the basis that it is highly likely to yield a net benefit to consumers.

b) National energy registry

Submissions were made on the Decision Paper by Vector and Powerco that Gas Industry Co should continue to consider the option of a “national energy registry”.

This option was considered when preparing the Statement of Proposal, but was eliminated as a reasonably practicable option on the basis that the different needs of the gas and electricity industries, particularly at the industry governance level, preclude such an option. Indeed, in its submission on the Decision Paper, Vector itself listed a number of issues which could arise:

- *“Any perceived short term gain from a joint registry (switching or administration cost savings) is likely to be swamped by the lost innovation gains across the supply chain from a more modern system that incorporates the lessons learnt from electricity;*
- *Who would oversee a joint registry and the risk that Electricity Commission rule change processes may hinder the development of the improved information flows necessary if the industry is to move to daily nominations – there is potential for gas to be seen as a minor issue compared to electricity, and thus given a lower priority;*
- *It is critical for the GIC and the gas industry to develop solutions that improve the operation of the gas industry, and ensure systems and processes maintain the ability for gas only retailers to remain competitive.”*

It is intended that the Requests for Proposal issued to potential service providers during the establishment phase will provide the opportunity for a potential service provider to submit a proposal which will include the value gained from synergies with the electricity registry.

c) Funding and cost allocation

In response to submissions received on the Decision Paper, Gas Industry Co reconsidered its proposal on cost allocation and on 19 April 2007 issued a revised proposal to allocate all costs to retailers.

Eight submissions were received on the revised proposal. All submitters except Genesis, Mighty River Power and Energy Direct NZ (the retail subsidiary of Wanganui Gas) supported the revised proposal. While Genesis and Mighty River Power supported some change to the proposal, both thought that a small proportion of the costs should be allocated to distributors to reflect the benefits that they consider distributors are likely to receive from the registry. Energy Direct NZ's comments were largely connected with Wanganui Gas' overall concerns about the cost-benefit analysis.

Gas Industry Co is confident that it has properly reconsidered the cost allocation proposal and that the revised proposal accords with cost allocation criteria that are consistent with the GPS objectives, particularly the efficiency, user/causer/beneficiary pays, and simplicity criteria. Gas Industry Co therefore proposes to allocate all switching and registry costs to retailers.

8 Potential Risks

The key risks with the proposal which have been identified by Gas Industry Co are:

- Greater costs for implementation of the central gas registry than the range predicted, resulting in the costs of the registry outweighing the quantified benefits for consumers.
- Continued resistance from some gas retailers on the funding and cost allocation methodology adopted in the rules, potentially resulting in a challenge to the basis of the evaluation.

Gas Industry Co considers that these risks are not sufficiently great to detract from the overall benefit of the proposal because of the following:

- Indications from potential service providers are that the costs used in the cost-benefit analysis remain sufficiently accurate. Given that the proposal has a clear positive net benefit in the worst case scenario of lowest likely benefits and maximum likely costs, Gas Industry Co considers that the risk of costs outweighing benefits is very low.
- Gas Industry Co is confident that the methodology it has employed to allocate the costs of the central registry to retailers is sound in principle and is unlikely to be challenged in practice.

9 Consideration of Gas Act Objectives

The GPS sets out the Government's objectives and outcomes for governance of the New Zealand gas industry, and its expectations for industry action. Under section 43ZO of the Act, Gas Industry Co must have regard to those objectives and outcomes when making recommendations for gas governance rules or regulations.

The Government's overall policy objective for the gas industry, as stated in the Act and the GPS, is:

"To ensure that gas is delivered to existing and new customers in a safe, efficient, fair, reliable, and environmentally sustainable manner."

Section 43G(2)(c) of the Act also refers to the "objective of promoting competition in gas retail markets".

Paragraph 5 of the GPS adds that, consistent with this overall objective, the Government is seeking certain specific outcomes which include:

- "(c) Barriers to competition in the gas industry are minimised to the long-term benefit of end-users;...*
- (g) The quality of gas services and in particular trade-offs between quality and price, as far as possible, reflect customers' preferences;..."*

Paragraph 11 of the GPS specifically deals with switching arrangements and states:

"The Minister of Energy invites the industry body to recommend arrangements, including regulations and rules where appropriate, in the following areas:

- *The standardisation and upgrading of protocols relating to customer switching, so that barriers to customer switching are minimised...*

In the Statement of Proposal, the objective of the proposal was stated to be to “achieve timely and accurate switching of customers between retailers and distributors”.

Following the receipt and analysis of submissions on the Statement of Proposal, the regulatory objective was amended to be to “achieve timely and accurate switching of customers between retailers, by facilitating the timely exchange of accurate and up-to-date information between customers, retailers, distributors, and meter owners”.

Gas Industry Co’s detailed analysis of the proposal against the regulatory objective is set out in Appendix 2. This concludes that establishing the switching arrangements in accordance with this recommendation will meet the regulatory objective.

10 Consultation with MED

Representatives of the Ministry of Economic Development (“MED”) have been briefed regularly by Gas Industry Co on the development of both the switching arrangements and the compliance and enforcement arrangements.

MED has been issued with all relevant documents in conjunction with the industry stakeholders identified in Appendix 3. MED was also sent a draft copy of this recommendation with an opportunity for comment prior to it being forwarded to the Board of Gas Industry Co for approval.

11 Communications

In accordance with section 43O of the Act, Gas Industry Co intends publishing, within 10 working days after giving it to the Minister, this recommendation and the assessment completed under section 43N in both the Gazette and on the Company’s website.

The notice of recommendation to be published in the Gazette is attached as Appendix 4.

A draft of the notice to be published on Gas Industry Co’s website is attached as Appendix 5.

Gas Industry Co also intends to notify all stakeholders of the fact that this recommendation has been made and that it is viewable on its website.

12 Recommendation

Gas Industry Co recommends to the Minister of Energy under sections 43G and 43Q of the Gas Act 1992 the making of the Gas (Switching Arrangements) Rules 2007 in the form attached as Appendix 6 to this recommendation.

Appendices

The following appendices are attached to this recommendation:

- Appendix 1: Statement of Proposal
- Appendix 2: Assessment
- Appendix 3: List of stakeholders for consultation
- Appendix 4: Notice for Gazette
- Appendix 5: Notice for website
- Appendix 6: Rules

Appendix 1: Statement of Proposal

Before making a recommendation to the Minister for gas governance regulations, section 43 of the Act requires Gas Industry Co to:

- seek to identify all reasonably practicable options for achieving the objective of the regulation; and
- assess those options by considering:
 - the benefits and costs of each option; and
 - the extent to which the objective would be promoted or achieved by each option; and
 - any other matters that Gas Industry Co considers relevant; and
- ensure that the objective of the regulation is unlikely to be satisfactorily achieved by any reasonably practicable means other than the making of the regulation.

Identification and assessment of reasonably practicable options

In its review of current switching arrangements, Gas Industry Co identified four reasonably practicable options for achieving the regulatory objective.

Those options were:

- Status Quo.
- Reconciliation Code Enhancements.
- Central Gas Registry.
- Central Gas Registry integrated with Allocation Mechanism.

The four options were analysed against the regulatory objective and the other objectives in the GPS and the Act to assess the extent to which the regulatory objective would be promoted or achieved by each of those options. A summary of results is set out in the following table:

Options	Analysis
Status Quo	Does not only achieve objective.
Reconciliation Code Enhancements	Only partially meets the objective. Does not address customer dissatisfaction. Some improvements in retail competition. High transaction costs for participants.
Central Gas Registry (Gas Industry Co's Preferred Approach)	Achieves objective. Improves service to customers. Removes barriers to competition. Reduces inefficiency of processes. Investment from industry required.

Central Gas Registry integrated with Allocation Mechanism	<p>Improves service to customers.</p> <p>Removes barriers to competition.</p> <p>Reduces inefficiency of processes.</p> <p>Significant resources from industry required over longer period of time.</p>
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The detailed results of Gas Industry Co's analysis are set out in Appendix 2.

In the third Discussion Paper – Mechanisms to Implement a Central Registry dated June 2006 – Gas Industry Co identified three different mechanisms to implement a central registry, being:

- a multi-lateral industry agreement;
- rule or regulations; and
- a hybrid of the above two options.

Having considered all the submissions, Gas Industry Co concluded that the only reasonably practicable option to meet the regulatory objective was to develop rules to govern switching arrangements that incorporate the establishment of a central gas registry.

Overview of the proposal

The proposal will:

- establish a central gas registry as a database of record for all data required to undertake a switch of a customer between gas retailers;
- set rules for the operation of the central gas registry;
- standardise data exchange protocols across the industry so that switching is effected efficiently and correct data is communicated to all affected parties in a timely manner;
- provide consistent switching processes transparent to all participants, providing certainty and enforceability to the industry; and
- ensure customer installation data is consistent across the industry enabling more accurate billing of customers and more accurate cost allocations between industry participants.

The key aspects of the proposal are set out below.

a) Participant coverage

All parties required to effect the switch of a customer between retailers will be required to participate in the central gas registry (including gas distributors, gas retailers supplying customer installations connected to gas distribution and transmission systems and all meter owners with meters recording gas consumption at those customer installations).

This means that all customer installations on all current open-access and non open-access reticulated natural gas networks will be included on the registry.

b) Processing by the registry

The registry will record the identity of the system user undertaking each transaction on the registry, the date the event being recorded by the system user actually occurred and the date on which the transaction is undertaken. The registry will process transactions in the time-order received.

c) Notification

Registry participants are required to maintain a range of parameters for each of the ICPs recorded on the registry. Whenever there is a change to the value of an ICP parameter on the registry, the registry will issue a notification (advising the new value and date of change for the ICP parameter concerned) to each participant that has an interest in that ICP parameter.

The participants identified as having an interest in the ICP parameter concerned will be those that have a current responsibility for the ICP or, where a switch is just completed, the last retailer that had responsibility for the ICP.

In the case where an erroneous event is corrected by a subsequent reversing transaction, the interested participants will include not only the participants with a current responsibility for the ICP but also those with a responsibility at the time of the erroneous event.

d) Acknowledgement of attempted transactions

Whenever a participant attempts a transaction on the registry, there will be a response to the participant advising either that the transaction was successful or that the attempt is rejected. In either case, the registry will send the participant an acknowledgement of such an attempt.

In the case of a successful attempt, the acknowledgement will precede the notification issued to the participant and other interested participants. In the case of rejected attempts, the acknowledgement (which would include the reason why the attempted transaction was rejected) will be the only advice of the attempt.

e) Correction of errors

The registry will allow for corrections of erroneous transactions which could arise from:

- an incorrect ICP being referenced in the update of an ICP parameter value or in the initiation of a switch;
- an incorrect event date being used in an ICP parameter value update; and/or
- incorrect data being used in an ICP parameter value update.

The error correction facility will recognise that the error might not be related to the most recent transaction, but instead some other event in the ICP history. Therefore, the registry will have a complete audit trail of the sequence of events and ensure that any correction does not affect the validity of any events with later dates.

f) ICP creation

The registry will be the repository of every ICP created by a distributor participant, and the distributor will be required to populate the values for the set of ICP parameters defined as being under its responsibility.

Similarly, before an ICP can become available for any other transactions on or through the registry, there will be a requirement for:

- a retailer participant to populate the values for a range of ICP parameters that are defined as being under its responsibility; and
- a meter owner participant (specified as the current meter owner by the current retailer), to populate the values for a range of ICP parameters defined as being under its responsibility.

g) ICP parameter maintenance processes

Once created and having the initial set of ICP parameters populated, further maintenance of ICP parameter values will be restricted to those participants identified on the ICP as the current responsible participants. At any point in time, an ICP will have three current responsible participants – a distributor, a retailer and a meter owner.

Each ICP parameter is categorised as being of a particular type. That is a parameter is one of a network, retail, metering or status type. Each class of participant is restricted to maintain only certain types of ICP parameter data:

- distributors maintain network type parameter values and (subject to the ICP status at the time of maintenance) status parameter values;
- retailers maintain retail type parameter values and (subject to the ICP status at the time of maintenance) status parameter values; and
- meter owners maintain only metering parameter values.

h) Access and reporting

Access to information on the registry is limited to registry participants and the registry operator. The registry operator is required to issue monthly reports to retailers, distributors and meter owners relating to their own transactions, and publish a monthly report of the number of ICPs on the registry and the number of valid switching notices received by the registry operator during the previous month. The content and format of the published report is to be specified by Gas Industry Co in consultation with registry participants and the registry operator. Gas Industry Co may also agree with the registry operator from time to time on other reports that may be produced.

Assessment of benefits of the proposal

The principal benefits of the proposal will be to reduce inefficiencies currently encountered with switching processes, with the desired result of improving outcomes for consumers and increasing the potential for retail competition. The proposal will reduce the cost of customer switching by having a single point of reference for key switching data, around which switching processes can be coordinated. This will better facilitate the timely and accurate switching of customers between retailers, create more choice for customers and provide more accurate billing information.

Specific benefits of the proposal include:

- consistent and secure data flows between parties by having a standard switching process for all participants, effected through the registry;
- the capability for performance monitoring by recording data flows;

- transparency of the switching processes by recording the retailer responsible for an ICP at any point in time, including during a switch;
- improved service levels through timely and accurate switch processes;
- reduction in data discrepancy issues between participants by establishing the registry as the database of record and specifying which parties are responsible for maintaining specific data in it;
- reduction of switching costs and risks by simplifying and reducing the required transactions to complete a switch and by enabling processes to be automated;
- support for timely and accurate billing set up which reduces costs to participants; and
- assistance with current allocation and reconciliation processes by providing a record of participant responsibilities for ICPs in relation to the allocation and reconciliation of gas quantities and other service costs.

The key outcomes of implementing the proposal include:

- improvement in customer satisfaction by implementing an efficient, timely and accurate switch process;
- lower barriers to competition in the gas retail market by facilitating customer choice between retailers; and
- reduction in administrative inefficiencies and costs involved in completing a switch of a retail customer.

The quantitative assessment of the benefits of the proposal was limited to assessing the benefits that it is practical to quantify, including short-term cost savings (static benefits) and long-term efficiency gains (dynamic benefits). The benefits to consumers of a clearer set of rules governing customer switches, a more timely switching process, and more accurate billing information have not been quantified. Accordingly, Gas Industry Co considers that the level of quantifiable benefits was very conservative.

Assessment of costs of the proposal

The costs of implementing a central gas registry, data cleansing, data migration costs, software development cost and software ongoing costs for the proposal were estimated in the cost-benefit analysis. Several submitters suggested that the data cleansing and migration costs may have been underestimated in that study. For the purposes of the Statement of Proposal these costs were doubled and are illustrated in the following table:

Development and operating costs for the proposal

Data Cleansing and Migration Costs	Software Development	Software Ongoing Costs
\$44,000 - \$120,000	\$29,000 - \$375,000	\$36,840 - \$200,000

Costs will also include those of compliance. Those costs are discussed in more detail in the recommendation on compliance.

Scenario of benefits and costs for the purposes of calculating NPV of the proposal

Scenario of Benefits & Costs	NPV	Year 1	Year 2	Year 3	Year 4	Year 5
Low Benefits, Low Costs						
Costs		\$109,840	\$36,840	\$36,840	\$36,840	\$36,840
Benefits		\$597,655	\$597,655	\$597,655	\$597,655	\$392,000
Net Benefits	\$1,980,741	\$487,815	\$560,815	\$560,815	\$560,815	\$355,160
Low Benefits, High Costs						
Costs		\$695,000	\$200,000	\$200,000	\$200,000	\$200,000
Benefits		\$597,655	\$597,655	\$597,655	\$597,655	\$392,000
Net Benefits	\$958,949	-\$97,345	\$397,655	\$397,655	\$397,655	\$192,000
High Benefits, Low Costs						
Costs		\$109,840	\$36,840	\$36,840	\$36,840	\$36,840
Benefits		\$1,755,929	\$1,755,929	\$1,755,929	\$1,755,929	\$485,160
Net Benefits	\$7,288,516	\$1,646,089	\$1,719,089	\$1,719,089	\$1,719,089	\$485,160
High Benefits, High Costs						
Costs		\$695,000	\$200,000	\$200,000	\$200,000	\$200,000
Benefits		\$1,755,929	\$1,755,929	\$1,755,929	\$1,755,929	\$522,000
Net Benefits	\$4,795,924	\$1,060,929	\$1,555,929	\$1,555,929	\$1,555,929	\$322,000

Applying a discount rate of 9% over a period of 5 years to the development and operational costs, and the static and dynamic efficiency benefits, gives an NPV range for the net benefits of \$958,949 to \$7,288,516.

Overall assessment of the benefits and costs of the proposal

The proposal has a high net benefit and has a clear positive net benefit in the worst case scenario of lowest likely benefits and maximum likely costs.

As an extreme test, it was noted that the discount rate has to reach approximately 345% for even the highest cost, lowest benefit scenario to have a negative NPV.

Although it is difficult to quantify in financial terms the qualitative benefits to consumers that will result from improvements in customer satisfaction, Gas Industry Co believes there is a strong positive net benefit under a wide range of input assumptions for the proposal. In reaching this conclusion, Gas Industry Co believes that there will also be substantial qualitative benefits to consumers resulting from this proposal in addition to those that have been quantified.

Other information considered relevant

Gas Industry Co does not believe that any other information is relevant to making an assessment of the proposal under section 43N(1) of the Act.

Other means to achieve the regulatory objective

Gas Industry Co does not believe that there is any means other than rules which will satisfactorily achieve the regulatory objective.

Conclusion

Gas Industry Co considers that the proposal meets the regulatory objective and that no other options identified and analysed meets the regulatory objective more cost efficiently than the proposal.

Submissions on the Statement of Proposal raised a small number of issues which resulted in Gas Industry Co publishing a Decision Paper in January 2007, the purpose of which was to:

- Confirm Gas Industry Co's assessment that a central gas registry implemented through rules under the Act is the only reasonably practicable option for achieving the regulatory objective.
- Seek further stakeholder input in the three following specific areas:
 - The extent to which stakeholders should be able to enforce the rules against the registry operator.
 - The treatment of commercially sensitive information in the registry.
 - Whether the final draft of the rules accurately implements the switching and registry arrangements.

The results of that further stakeholder input have been incorporated into the final draft of the rules which are recommended to implement the proposal.

Appendix 2: Assessment

Analysis of reasonably practicable options against regulatory objective

Option 1 - Central gas registry with rules

Objective	Objective	Meets objective requirement	How objective met/not met
Benefit to end-user.	Supports customer choice of retailers.	Yes	Retailer more active in competing for customers. Facilitates better switch complaints resolution.
Benefit to end-user.	Enables correct billing setup for the production of accurate invoices to customers.	Yes	Registry assists integrity of data transferred and is the database of record, resulting in fewer customer complaints. Systems include a discrepancy resolution process. Assists allocation and reconciliation systems through Gas Registry reporting function.
Benefit to end-user.	Allows timely and accurate switching.	Yes	Simpler switching process against a database of record. Rules governing timely and accurate participants' actions and responses.
Benefit to end-user.	Improves customer satisfaction.	Yes	Switching process is more efficient, auditable, traceable and transparent.
Efficiency.	New retailers can easily identify the customer's existing distributor if the ICP number is known	Yes	Single point of reference for more accurate and timely data.
Efficiency.	New retailers can easily identify whether the ICP is 'switchable' (on an open access network).	Yes	Single point of reference to more accurate status data.
Efficiency.	New retailers can easily identify the customer's existing retailer.	Yes	Single point of reference to more accurate and timely data.

Objective	Objective	Meets objective requirement	How objective met/not met
Efficiency.	New retailers can easily identify a customer's ICP where they are a move-in switch.	Yes	Using an address search facility.
Efficiency.	Provides an efficient switching process.	Yes	Single point of reference to more accurate data with all transactions recorded centrally.
Efficiency.	Switching progress can be tracked by all affected parties.	Yes	All switch transactions processed through the Gas Registry with a full transaction history.
Efficiency.	Switch transactions are sent to all affected parties efficiently.	Yes	Gas Registry notifies all affected parties automatically.
Reliability.	Is secure.	Yes	Gas Registry is protected via standard web security functions with user access restrictions and passwords.
Reliability.	Supports effective discrepancy management to ensure ICP data integrity across all systems where the ICP is recorded.	Yes	Discrepancy process defined in the rules.
Reliability.	Is performance managed.	Yes	Performance criteria will form part of the contract with a service provider who will be appointed via a contestable process.
Reliability.	Is auditable.	Yes	Automatic audit trail and recording of all transaction history.
Reliability.	Supports effective compliance monitoring.	Yes	Single point of reference to more accurate data with an audit trail that is transparent to all participants and compliance personnel. Reporting by registry operator (service provider).
Reliability.	Supports effective complaints resolution.	Yes	Single point of reference to more accurate data with an audit trail that is transparent to all participants and complaints resolution personnel.

Objective	Objective	Meets objective requirement	How objective met/not met
Reliability. Benefit to end-user.	Supports effective discrepancy managements to enable accurate reconciliation.	Yes	Rules require monthly reports to be generated for all participants for discrepancy resolution purposes and for reconciliation and allocation purposes.
Barrier to competition minimised.	Provides a switching process, which is standard for all parties.	Yes	Single database of record.
Barrier to competition minimised. Fairness.	Provides a switching process, which does not create barriers to new entrants AND current participants (i.e. not too costly to set-up and operate).	Yes	Mandatory participation is more onerous than current arrangements but common to all participants.
Barrier to competition minimised.	Provides a switching process which does not create barriers to new entrants as meter owners AND current meter owners (i.e. not too costly to set-up and operate).	Yes	Minimal set-up costs requiring internet access and FTP (or similar).
Barrier to competition minimised.	Provides a switching process which does not create barriers to new entrant Allocation Agents, i.e. not too costly to set-up and operate.	Yes	Minimal set-up costs requiring internet access and FTP (or similar).
Barrier to competition minimised.	Provides a switching process which does not create barriers to new entrant retailers (i.e. not too costly to set-up and operate).	Yes	Minimal set-up costs requiring internet access and FTP (or similar).
Barrier to competition minimised. Efficiency.	Switching process allows for high volume switching.	Yes	FTP (or similar) facility allows for multiple transactions.

Option 2 – Status Quo

Objective	Objective	Meets objective requirement	How objective met/not met
Benefit to end-user.	Supports customer choice of retailer.	No	Makes switching retailer difficult.
Benefit to end-user.	Enables correct billing setup for the production of accurate invoices to customers.	No	Does not support accurate or timely billing of customers.
Benefit to end-user.	Allows timely and accurate switching.	No	Makes switching retailer difficult.
Benefit to end-user.	Improves customer satisfaction.	No	Currently leads to customer dissatisfaction.
Efficiency.	New retailers can easily identify the customer's existing distributor if ICP known.	No	Provided address at regional level is known.
Efficiency.	New retailers can easily identify whether the ICP is 'switchable' (on an open access network).	No	There is no central repository of this information.
Efficiency.	New retailers can easily identify the customer's existing retailer.	No	Current arrangements make this difficult.
Efficiency.	New retailers can easily identify a customer's ICP where they are a move-in switch.	No	Evidence suggests current arrangements make this difficult.
Efficiency.	Provides an efficient switching process.	No	Up to 10 file transfers required to complete a switch and notify all affected parties.
Efficiency.	Switching progress can be tracked by all affected parties.	No	No central tracking of switch progress as switching done via email by different parties.
Efficiency.	Switch transactions are sent to all affected parties efficiently.	No	Up to 10 file transfers in total to notify all parties of a switch and obtain data.
Reliability.	Is secure.	No	Exchange is via standard unsecured email. Emails can get lost.
Reliability.	Supports effective discrepancy management to ensure ICP data integrity across all systems where the ICP is recorded.	No	There are no discrepancy resolution processes in the code.
Reliability.	Is performance managed?	No	No rules on performance for each distributor, retailer and meter owner.

Objective	Objective	Meets objective requirement	How objective met/not met
Reliability.	Is auditable.	No	10 emails amongst 5 parties is difficult to audit.
Reliability.	Supports effective compliance monitoring.	No	No central tracking of switch makes data gathering for compliance monitoring difficult.
Reliability.	Supports effective complaints resolution.	No	No central tracking of switch makes data gathering for complaint resolution monitoring difficult.
Reliability. Benefit to end-user.	Supports effective discrepancy management to enable accurate reconciliation.	No	There are no discrepancy resolution processes and there is no direct linkage to allocation and reconciliation processes.
Barrier to competition minimised.	Provides a switching process which is standard for all parties.	Partly	There is a defined process but not all industry participants comply.
Barrier to competition minimised. Fairness.	Provides a switching process, which does not create barriers to new entrant distributors and current small distributors. (i.e. not too costly to set-up and operate).	No	Any new entrant would be faced with a variety of practices for completing a switch.
Barrier to competition minimised.	Provides a switching process which does not create barriers to new entrant meter owners (i.e. not too costly to set-up and operate).	No	Any new entrant would be faced with a variety of practices for completing a switch.
Barrier to competition minimised.	Provides a switching process which does not create barriers to new entrant Allocation Agents (i.e. not too costly to set-up and operate).	No	Any new entrant would be faced with a variety of practices for completing a switch.
Barrier to competition minimised.	Provides a switching process which does not create barriers to new entrant retailers (i.e. not too costly to set-up and operate).	No	Any new entrant would be faced with a variety of practices for completing a switch.

Option 3 – Reconciliation Code Part B Enhancement

Objective	Objective	Meets objective requirement	How objective met/not met
Benefit to end-user.	Supports customer choice of retailer	Yes	Facilitates switching.
Benefit to end-user.	Enables correct billing setup for the production of accurate invoices to customers.	Partly	Rules require data transfer but no database of record for sourcing of data.
Benefit to end-user.	Allows timely and accurate switching.	Partly	Rules require timely and accurate data transfers, but no data validation processes of databases of record for discrepancy resolution will detract from timeliness and accuracy.
Benefit to end-user.	Improves customer satisfaction.	Partly	Switch process still inefficient, but more likelihood of improved outcomes.
Efficiency.	New retailers can easily identify the customer's existing distributor if ICP known.	Yes	Provided address at regional level is known.
Efficiency.	New retailers can easily identify whether the ICP is 'switchable' (on an open access network).	Yes	Provided distributor maintains ICP status information in their systems.
Efficiency.	New retailers can easily identify the customer's existing retailer.	Yes	Provided ICP and regional address is known – which is most likely.
Efficiency.	New retailers can easily identify a customer's ICP where they are a move-in switch.	Yes	Provided ICP and regional address is known – which is most likely.
Efficiency.	Provides an efficient switching process.	No	Up to 10 file transfers required to complete a switch and notify all affected parties.
Efficiency.	Switching progress can be tracked by all affected parties.	No	No central tracking of switch progress as switching done via email by different parties.
Efficiency.	Switch transactions are sent to all affected parties efficiently.	No	Up to 10 file transfers in total to notify all parties of a switch and obtain data.
Reliability.	Is secure.	No	Exchange is via standard unsecured email. Emails can get lost.

Objective	Objective	Meets objective requirement	How objective met/not met
Reliability.	Supports effective discrepancy management to ensure ICP data integrity across all systems where the ICP is recorded.	No	There are no discrepancy resolution processes in the Code.
Reliability.	Is performance managed?	No	No rules on performance for each distributor.
Reliability.	Is auditable.	No	10 emails amongst 5 parties is difficult to audit.
Reliability.	Supports effective compliance monitoring.	No	No central tracking of switch makes data gathering for compliance monitoring difficult.
Reliability.	Supports effective complaints resolution.	No	No central tracking of switch makes data gathering for complaint resolution monitoring difficult.
Reliability. Benefit to end-user.	Supports effective discrepancy management to enable accurate reconciliation.	No	There are no discrepancy resolution processes and there is no direct linkage to allocation and reconciliation processes.
Barrier to competition minimised.	Provides a switching process which is standard for all parties.	Yes	There is a defined process.
Barrier to competition minimised. Fairness.	Provides a switching process, which does not create barriers to new entrant distributors and current small distributors (i.e. not too costly to set-up and operate).	Partly	Mandatory participation is more onerous than current arrangements but common to all distributors. Smaller distributors' costs of providing website will be relatively high compared to larger distributors.
Barrier to competition minimised.	Provides a switching process which does not create barriers to new entrant meter owners (i.e. not too costly to set-up and operate).	Yes	Email is available to all.
Barrier to competition minimised.	Provides a switching process which does not create barriers to new entrant Allocation Agents (i.e. not too costly to set-up and operate).	Yes	Email is available to all.

Objective	Objective	Meets objective requirement	How objective met/not met
Barrier to competition minimised.	Provides a switching process which does not create barriers to new entrant retailers (i.e. not too costly to set-up and operate).	Partly	Email is available to all however high transaction costs remain.
Barrier to competition minimised. Efficiency.	Switching process allows for high volume switching.	Partly	Multiple transactions can be provided in one csv file. However, the switch process still requires up to 10 different emails to be sent to notify all affected parties of a switch. Automation costs would be relatively high.

Option 4 – Central gas registry with integrated allocation & reconciliation mechanism

Objective	Objective	Meets objective requirement	How objective met/not met
Benefit to end-user.	Supports customer choice of retailer.	Yes	Retailers more active in retail competition. Facilitates switch complaints resolution.
Benefit to end-user.	Enables correct billing setup for the production of accurate invoices to customers.	Yes	Registry assists integrity of data transferred and is the database of record. Systems include a discrepancy resolution process and automated allocation and reconciliation systems.
Benefit to end-user.	Allows timely and accurate switching.	Yes	Simpler switching process against a database of record. Rules governing timely and accurate participants' actions and responses.
Benefit to end-user.	Improves customer satisfaction.	Yes	Switching process is more efficient, auditable, traceable and transparent.
Efficiency.	New retailers can easily identify the customer's existing distributor if the ICP number is known.	Yes	Single point of reference for more accurate and timely information.

Objective	Objective	Meets objective requirement	How objective met/not met
Efficiency.	New retailers can easily identify whether the ICP is 'switchable' (on an open access network).	Yes	Single point of reference to more accurate status information.
Efficiency.	New retailers can easily identify the customer's existing retailer.	Yes	Single point of reference to more accurate and timely information.
Efficiency.	New retailers can easily identify a customer's ICP where they are a move-in switch.	Yes	Using an address search facility.
Efficiency.	Provides an efficient switching process.	Yes	Single point of reference to more accurate information with all transactions recorded centrally.
Efficiency.	Switching progress can be tracked by all affected parties.	Yes	All switch, allocation & reconciliation transactions processed through the Gas Registry with a full transaction history.
Efficiency.	Switch transactions are sent to all affected parties efficiently.	Yes	Gas Registry notifies all affected parties automatically.
Reliability.	Is secure.	Yes	Gas Registry & energy consumption data is protected via standard web security functions with user access restrictions and passwords.
Reliability.	Supports effective discrepancy management to ensure ICP data integrity across all systems where the ICP is recorded.	Yes	Discrepancy process defined in the rules.
Reliability.	Is performance managed?	Yes	Performance criteria will form part of the contract with a service provider.
Reliability.	Is auditable.	Yes	Automatic audit trail and recording of all transaction history.

Objective	Objective	Meets objective requirement	How objective met/not met
Reliability.	Supports effective compliance monitoring.	Yes	Single point of reference to more accurate information with an audit trail that is transparent to all participants and compliance personnel. Reporting by Registry Operator (service provider).
Reliability.	Supports effective complaints resolution.	Yes	Single point of reference to more accurate information with an audit trail that is transparent to all participants and complaints resolution personnel.
Reliability Benefit to end-user.	Supports effective discrepancy management to enable accurate reconciliation.	Yes	Rules require monthly reports to be generated for all participants for discrepancy resolution purposes and for reconciliation. An integrated function would automatically perform these tasks.
Barrier to competition minimised	Provides a switching process, which is standard for all parties.	Yes	Single standard system including database of record for ICPs & energy consumption data.
Barrier to competition minimised. Fairness.	Provides a switching process, which does not create barriers to new entrant distributors AND to current small distributors (i.e. not too costly to set-up and operate).	Partly	Mandatory participation is more onerous than current arrangements but common to all distributors. An integrated allocation & reconciliation function is more complex to implement and may jeopardise agreed timelines.
Barrier to competition minimised.	Provides a switching process which does not create barriers to new entrant meter owners (i.e. not too costly to set-up and operate).	Partly	Mandatory participation is more onerous than current arrangements but common to all distributors. An integrated allocation & reconciliation function is more complex to implement and may jeopardise agreed timelines.

Objective	Objective	Meets objective requirement	How objective met/not met
Barrier to competition minimised.	Provides a switching process which does not create barriers to new entrant Allocation Agents (i.e. not too costly to set-up and operate).	Yes	Mandatory participation is more onerous than current arrangements but common to all distributors. An integrated allocation & reconciliation function is more complex to implement and may jeopardise agreed timelines. However, would provide optimal use for allocation purposes.
Barrier to competition minimised.	Provides a switching process which does not create barriers to new entrant retailers (i.e. not too costly to set-up and operate).	Partly	Mandatory participation is more onerous than current arrangements but common to all distributors. An integrated allocation & reconciliation function is more complex to implement and may jeopardise agreed timelines.
Barrier to competition minimised. Efficiency.	Switching process allows for high volume switching.	Yes	FTP (or similar) facility allows for multiple transactions.

Appendix 3: List of stakeholders for consultation

Age Concern	Four Winds Communication
AGL	Gas Association of New Zealand
Arete Limited	Gas Net
Austral Pacific Energy	Genesis Energy
Balance Agri Nutrients	Greymouth Petroleum
Bay of Plenty Electricity	Greypower
Bell Gully	Heinz Watties Ltd
Blue Scope Steel	Kensington Swan
BRG	Kerridge & Partners
Bridge Petroleum	KPMG
Carter Holt Harvey	LPG Associations of New Zealand
Castalia	Major Electricity Users Group
CGNZ	Marsh Limited
Clifford Chance Law Office	Maui Development Ltd
Commerce Commission	M-Co
Concept Consulting	Methanex New Zealand
Consumers Institute	Mighty River Power
Contact Energy Ltd	Ministry of Consumer Affairs
Craftware Computing Ltd	Ministry of Economic Development
E-Gas	Multigas (NZ) Ltd
Electricity and Gas Complaints Commission	National Council of Women
Electricity Commission	New Zealand Oil and Gas Ltd
Energy Efficiency and Conservation Authority	NZPWC
Energy Link Ltd	NZRC
Exergi	New Steel
Fletcher Building Ltd	Nova Gas Ltd

NZ Water and Wastes Association	Shell Todd Oil Services Ltd
O-I New Zealand Ltd	Simpson Grierson
OMV New Zealand Ltd	Stigley & Co
Pan Pac Forest Products Ltd	Strata Energy Consulting
Parliament	Swift Energy Ltd
Parsons Brinkerhoff Associates	Tap Oil Ltd
PB World	Tatua Co-op Dairy
PEPANZ	The Australian Gas Light Company
Powerco Ltd	Thorndon Chambers
Pricewaterhouse Coopers	Todd Energy Ltd
RBZ Energy Ltd	TWS Consulting Ltd
Richard Clarke QC	Vector Ltd
Russell McVeagh	VUW School of Economics and Finance
SBT Group	Wanganui Gas Ltd
Shell (Petroleum Mining) Ltd	Westech Energy

Appendix 4: Notice for Gazette

Notice of Making of an Assessment and Recommendation for Gas Governance Regulations

This notice of a recommendation and assessment for gas governance rules is issued by Gas Industry Company Limited ("Gas Industry Co") approved as the industry body by Order in Council under section 43ZL of the Gas Act 1992 ("Gas Act").

Section 43O of the Gas Act provides that, no later than 10 working days after making a recommendation for a gas governance regulation to the Minister of Energy, Gas Industry Co must publicise the recommendation and the assessment completed under section 43N of the Gas Act.

Recommendation

On 31 May 2007 Gas Industry Co made a recommendation to the Minister of Energy for approval of the Gas (Switching Arrangements) Rules 2007 to provide for the establishment of a central gas registry and arrangements for the switching of customers between gas retailers. The Rules will provide for:

- the establishment of a central gas registry as a database of record for all data required to undertake a switch of a customer between gas retailers and rules for the operation of the central gas registry;
- standardisation of data exchange protocols across the industry so that switching is effected efficiently and correct data is communicated to all affected parties in a timely manner;
- consistent switching processes transparent to all participants, providing certainty and enforceability to the industry; and
- consistent customer installation data across the industry enabling more accurate billing of customers and more accurate cost allocations between industry participants.

A recommendation for Regulations providing for compliance with, and enforcement of, the Gas (Switching Arrangements) Rules 2007 was made in conjunction with this recommendation.

A copy of Gas Industry Co's recommendation, including the assessment, is available at no cost on Gas Industry Co's website: <http://www.gasindustry.co.nz>

Dated at Wellington this 14th day of June 2007.

For and on behalf of Gas Industry Co

Rt. Hon. James Bolger ONZ,

Chair

Appendix 5: Notice for website

Under section 430 of the Gas Act 1992 Gas Industry Co must, no later than 10 working days after making a recommendation to the Minister of Energy on gas governance arrangements, publicise that recommendation and the assessment completed under section 43N of the Act.

On 31 May 2007, Gas Industry Co made two recommendations in respect of arrangements for consumers switching between retailers and an associated compliance regime. The texts of both these recommendations, including the assessments under section 43N of the Act, are available below:

Recommendation on Gas (Switching Arrangements) Rules 2007

Recommendation on Gas (Compliance) Regulations 2007

Appendix 6: Rules

GAS (SWITCHING ARRANGEMENTS) RULES 2007

1. Purpose

The purpose of these rules is to establish a set of gas switching and registry arrangements that will enable consumers to choose, and alternate, between competing retailers.

2. Outline

These rules provide for –

- 2.1 The establishment of the registry; and
- 2.2 The management of information held by the registry; and
- 2.3 The appointment of a registry operator; and
- 2.4 A process for switching consumers between retailers.

3. Commencement

- 3.1 Rules 47 to 85 come into force on the go-live date.
- 3.2 The rest of these rules come into force 28 days after the date these rules are notified in the *Gazette*.

Part 1

General provisions

4. Interpretation

4.1 In these rules, unless the context otherwise requires, a word or expression defined in the Act has the same meaning as it has in the Act.

4.2 In these rules, unless the context otherwise requires,-

Act means the Gas Act 1992;

actual reading means a register reading, which was recorded from a meter or corrector by means of physically viewing the register at the time or by retrieving the reading from a datalogger that recorded the reading at the time;

allocation agent means, for each gas gate, the person who allocates the daily and monthly gas purchase volumes to the retailers taking supply of gas at that gas gate;

business day means any day of the week except –

- (a) Saturday and Sunday; and
- (b) Any day that Good Friday, Easter Monday, ANZAC Day, the Sovereign's Birthday, Labour Day, Christmas Day, Boxing Day, New Year's Day, the day after New Year's Day, and Waitangi Day are observed for statutory holiday purposes; and
- (c) Any other day which the industry body has determined not to be a business day as published by the industry body;

commencement date means the date referred to in rule 3.2;

Commission means the Energy Commission established under S43ZZH of the Act;

connection status means the physical status of the connection between the distribution system or transmission system and the consumer installation, with respect to the ability of gas to flow to the consumer installation and the nature of any disconnection of the consumer installation;

consumer installation means one or more gas installations that have a single point of connection to a distribution system or transmission system and for which there is a single consumer;

corrector means a device that dynamically replaces any one or more of the fixed factors otherwise required to convert gas volume measured at ambient conditions to gas volume measured at standard conditions;

day means a calendar day;

distributor means a gas distributor as defined in the Act, which in accordance with rule 42.3 may include the owner of a transmission system to which a consumer installation is directly connected;

estimated reading means a register reading that has been quantified by an estimation process;

financial year means the twelve-month period beginning on the date determined by the industry body;

gas gate means the point of connection between –

- (a) a transmission system and a distribution system; or
- (b) a transmission system and a consumer installation; or
- (c) two gas distribution systems;

go-live date means the first date on which the industry body confirms that the registry is fully operational in accordance with the requirements of rules 37 and 38;

ICP or Installation Control Point means the point at which a consumer installation is deemed to have gas supplied, and which represents the consumer installation on the registry;

ICP identifier means the unique 15-character identifier assigned to each ICP, having the format, xxxxxxxxxxxxccc, where:

xxxxxxxxxx is the gas connection number specified by the distributor and unique to that connection in the distributor's records;

xx is an alphabetic combination, determined by the industry body, for use by the distributor when creating the ICP identifier;

ccc is an alphanumeric checksum generated by an algorithm specified by the industry body;

ICP parameter means one of the defined set of components of an ICP as set out in Schedule 1;

ICP parameter value means a numerical value or an alphanumeric code or some free text assigned, in accordance with these rules, to an ICP parameter;

industry body means the industry body approved by the Governor General by Order in Council under section 43ZL of the Act. In the event that the industry body is revoked under section 43ZM of the Act, all references to the industry body shall be replaced with references to the Commission;

losses means, for a gas gate, the difference between the sum of the gas consumption measured at consumer installations supplied through the gas gate and the gas injection measured at the gas gate;

loss factor means the factor by which a measured or estimated volume of gas consumption for an ICP or aggregation of ICPs supplied through the same gas gate is multiplied in order to offset expected losses for that gas gate;

meter means an instrument designed to measure the volume of gas passed through it;

meter owner means the person who owns or controls a meter used to measure gas consumption for a consumer installation;

metering equipment means any one or a combination of a meter, corrector, datalogger and the telemetry used to measure or convey volume information related to an ICP;

month means a calendar month;

move switch means a situation where a consumer moves to a consumer installation and elects to have gas supplied at that consumer installation by a retailer different from the retailer that supplied the previous consumer at that consumer installation;

new retailer means the retailer who, as a result of a switch, will be the supplier of gas to the consumer installation concerned and the responsible retailer for the ICP on and from the switch date;

parent gas gate means for an ICP or gas gate, the gas gate immediately upstream of the ICP or gas gate, where upstream means in the direction towards a transmission system;

publish means –

- (a) In respect of information to be published by the industry body or the registry operator, to make such information available to the intended recipient through the registry; and
- (b) In respect of all other information, means to make available to the intended recipient in such manner as may be determined by the industry body from time to time;

register reading means the number displayed by, or estimated for, a meter register or corrector register at a particular date and time, and that represents the volume of gas recorded by the register over a certain period;

register multiplier means the number to be used to convert the difference between two register readings to cubic metres of gas;

registry means the database facility (including all relevant hardware and software) that meets the requirements set out in rule 38;

registry development costs means the costs of developing and establishing the registry;

registry ongoing costs means the ongoing costs of operating and maintaining the registry;

registry operator means the service provider appointed by the industry body to establish, maintain, and operate the registry;

registry operator service provider agreement means the agreement between the industry body and a person, where that person is appointed as the registry operator;

registry participant means a retailer, distributor or meter owner;

registry participant register means the register of registry participants kept by the registry operator under rule 7.1;

registry specification means the specification for the registry set out in the registry operator service provider agreement;

report access means a person is authorised to extract a report of ICP information by issuing an electronic request to the registry, which includes the criteria determining the content of the report;

responsible distributor means, for a particular ICP, the distributor whose distributor code is shown on the registry and who is thereby responsible for maintaining the values of the ICP parameters listed in Part A of Schedule 1;

responsible retailer means, for a particular ICP, the retailer whose retailer code is shown on the registry and who is thereby responsible for maintaining the values of the ICP parameters listed in Part B of Schedule 1;

responsible meter owner means, for a particular ICP, the meter owner whose meter owner code is shown on the registry and who is thereby responsible for the ICP parameters listed in Part C of Schedule 1;

retailer means a gas retailer as defined in the Act;

rules means these Gas (Switching Arrangements) Rules 2007 as amended from time to time and includes every schedule to the rules, any code of practice and any technical code made pursuant to the rules, and every amendment to, deletion of, or addition to, any of the rules;

standard switch means a switch where a consumer, being supplied gas at a particular consumer installation elects to have gas supplied at that consumer installation by another retailer;

switch means the change of retailer supplying gas to a consumer installation, and the consequent change of responsible retailer for the ICP concerned;

switch date means the date on and from which a new retailer supplies gas to a consumer installation;

switch reading means the register reading that applies to the switch date;

view access means a person is authorised to view information in the registry, including the result of any ICP address search facility provided as part of registry functionality;

write access means a person is authorised to view and maintain certain information in the registry; and

year means the period from 1 July to 30 June.

- 4.3 Where the rules require the registry to comply with a rule, this has the same effect as if the registry operator is required to comply with that rule.
- 4.4 A reference to a rule is a reference to a rule in these rules unless the reference specifically states otherwise.

Registry participants

5. Obligation to supply registration information

- 5.1 All **registry participants** must supply registration information to the **registry operator**.
 - 5.2 Registration information consists of –
 - 5.2.1 The name of the **registry participant**; and
-

5.2.2 The **registry participant's** telephone number, physical address, facsimile number, email address, and postal address; and

5.2.3 Identification as to which class, or classes, of **registry participant (retailer, distributor or meter owner)** that the **registry participant** belongs.

5.3 Registration information must be given in the form and manner required by the **registry operator** as approved by the **industry body**.

6. When registration information must be supplied

6.1 Every person that is a **registry participant** at the **commencement date** must supply the registration information within twenty **business days** of the **commencement date**.

6.2 Every person that becomes a **registry participant** after the **commencement date** must supply the registration information within twenty **business days** of becoming a **registry participant**.

7. Registry operator must keep register

7.1 The **registry operator** must keep a register of **registry participants**.

7.2 The **registry participant register** must state –

7.2.1 The registration information in respect of the **registry participant**; and

7.2.2 The date on which the **registry participant** was recorded on the **registry participant register**; and

7.2.3 The date on which the person ceases to be a **registry participant**.

8. Changes to particulars

8.1 Every **registry participant** must notify the **registry operator** as soon as practicable –

8.1.1 Of any change in the **registry participant's** registration information; and

8.1.2 If the person ceases to be a **registry participant**.

8.2 The **registry operator** must record the change, and the date of change, in the **registry participant register** on receipt of the notice.

8.3 The **registry operator** must **publish** the change as soon as possible after recording that change.

9. Effect of registration

9.1 A **registry participant** is bound by these **rules** regardless of whether or not the **registry participant** is recorded on the **registry participant register**.

10. Effect of ceasing to be registry participant

A person continues to be liable for all acts and omissions in respect of these **rules** carried out while the person is a **registry participant**, despite the fact that the person ceases to be a **registry participant**, and the person will be deemed to be a **registry participant** for that purpose.

Registry operator

11. Appointment of registry operator

11.1 The **industry body** may, from time to time, by agreement with a person appoint that person to act as the **registry operator**.

11.2 The **registry operator** has the functions, rights, powers, and obligations set out in these **rules**.

11.3 The term of appointment of a person as the **registry operator**, and the date on which the term begins, will be as set out in the **registry operator service provider agreement**.

11.4 The **industry body** may at any time terminate, re-appoint, or change the appointment of any person as the **registry operator** subject to the terms of the **registry operator service provider agreement**.

11.5 The remuneration of the registry operator will be as agreed between the industry body and the registry operator in the registry operator service provider agreement.

11.6 The **industry body** and the **registry operator** may agree on any other terms and conditions, not inconsistent with the functions, rights, powers, and obligations of the **registry operator** under these **rules**.

12. Other terms of registry operator service provider agreement

12.1 In addition to any other terms and conditions required by these **rules**, the **registry operator service provider agreement** must provide for–

12.1.1 the availability levels of the **registry**; and

12.1.2 service response times; and

12.1.3 **registry** system upgrades; and

12.1.4 **registry** system maintenance; and

12.1.5 data integrity and recovery of data; and

12.1.6 the handling of faults.

12.2 The **registry operator service provider agreement** must specify that the **registry operator** must maintain close contact with **distributors**,

retailers, and meter owners, and provide additional services and support to ensure that the registry remains responsive to and consistent with the needs of the registry participants.

13. Publication of registry operator service provider agreement

The **industry body** must **publish** the **registry operator service provider agreement**.

14. Insurance cover

The **registry operator** must at all times maintain any insurance cover that is required by the **registry operator service provider agreement**, on terms and in respect of risks approved by the **industry body**, with an insurer approved by the **industry body**.

15. Performance standards to be agreed

The **industry body** and the **registry operator** must, at the beginning of the term of the appointment and at the beginning of each **financial year**, seek to agree on a set of performance standards against which the **registry operator's** actual performance must be reported and measured at the end of the **financial year**.

16. Self-review must be carried out by registry operator

16.1 The **registry operator** must conduct, on a monthly basis, a self-review of its performance.

16.2 The review must concentrate on the **registry operator's** compliance with –

16.2.1 Its obligations under these **rules**; and

16.2.2 The operation of these **rules**; and

16.2.3 Any performance standards agreed between the **registry operator** and the **industry body**; and

16.2.4 The provisions of the **registry operator service provider's agreement**.

17. Registry operator must report to the industry body

17.1 The **registry operator** must within ten **business days** of the end of each **month**, provide a written report to the **industry body** on the results of the review carried out under rule 16.

17.2 The report must contain details of -

17.2.1 Any circumstances identified by the **registry operator** where it has failed, or may have failed, to comply with its obligations under these **rules**; and

17.2.2 Any area that, in the opinion of the **registry operator**, a change to a rule may need to be considered; and

17.2.3 Any other matters that the **industry body**, in its reasonable discretion, considers appropriate and asks the **registry operator**, in writing within a reasonable time before the report is provided, to report on.

17.3 As soon as practicable after receiving a report under rule 17.1, the **industry body** must **publish** that report.

18. Review of registry operator performance by the industry body

18.1 At the end of each **financial year**, the **industry body** may review the manner in which the **registry operator** has performed its duties and obligations under these **rules**.

18.2 The review must concentrate on the **registry operator's** compliance with –

18.2.1 Its obligations under these **rules**; and

18.2.2 The operation of these **rules**; and

18.2.3 Any performance standards agreed between the **registry operator** and the **industry body**; and

18.2.4 The provisions of the **registry operator service provider agreement**.

19. Audits of the registry and the registry operator

19.1 In addition to the review specified in rule 18, the **industry body** may carry out audits of the records and procedures of the **registry** and **registry operator** within normal working hours on reasonable notice.

19.2 In respect of any audit, the **registry operator** must –

19.2.1 Provide any auditor appointed by the **industry body** with reasonable access to all relevant facilities, personnel, records, and manuals; and

19.2.2 Provide the auditor with any additional information that the auditor reasonably considers necessary to enable an assessment of whether the **registry** continues to meet the requirements of these **rules**.

19.3 In accordance with any provisions in the **registry operator service provider agreement** between the **industry body** and the **registry operator**, the **registry operator** must implement any changes necessary to give effect to any reasonable recommendations made by the auditor, with the objective of constantly improving services.

Funding of the registry

20. Development fee

- 20.1 The development fee is a fee to meet the **registry development costs**.
- 20.2 As soon as practicable after the **commencement date**, the **industry body** must determine the estimated **registry development costs**. The **registry development costs** will include –
- 20.2.1 The capital costs associated with the development of the **registry**; and
 - 20.2.2 The costs associated with the appointment of the **registry operator**; and
 - 20.2.3 The administrative costs of the **industry body** in connection with the development and establishment of the **registry**; and
 - 20.2.4 Any other costs that are determined by the **industry body** to form part of the **registry development costs** (whether or not such costs have been incurred at the time that the **registry development costs** are estimated).
- 20.3 Once it has estimated the **registry development costs**, the **industry body** will **publish** those costs (including a breakdown of the costs) on the **industry body's** website.
- 20.4 Every person who is a **retailer** on the **commencement date** is liable to pay a development fee in accordance with these **rules**.
- 20.5 The development fee is payable in respect of all **ICPs** except those with a status of NEW or DECOMMISSIONED.
- 20.6 The development fee payable by each **retailer** is calculated as follows:
- $$A = B \times (C/D)$$
- Where:
- A = the development fee payable by **retailer A**; and
 - B = the estimated **registry development costs**; and
 - C = the number of eligible **ICPs** as at the **commencement date** for which **retailer A** is a **responsible retailer**; and
 - D = the total number of eligible **ICPs** as at the **commencement date**.

21. How and when development fee must be paid

- 21.1 The development fee is payable to the **industry body**.
- 21.2 As soon as practicable after publication of the estimated **registry development costs**, the **industry body** must invoice every **registry participant** liable to pay a development fee for those costs in accordance with rule 20.4.
-

- 21.3 As soon as practicable after the **go-live date**, the **industry body** must determine the actual **registry development costs** in accordance with rule 20.2.
- 21.4 The **industry body** must invoice or credit each **registry participant** liable to pay the development fee with the difference between the actual **registry development costs** and the amount of the estimated **registry development costs** paid by that **registry participant**.
- 21.5 The due date for the payment of the development fee is the tenth **business day** after the **registry participant** receives an invoice for the development fee.

22. Ongoing fees

- 22.1 The ongoing fees are monthly fees to meet the **registry ongoing costs**.
- 22.2 As soon as practicable after the **commencement date**, the **industry body** must determine the estimated **registry ongoing costs** for the first **year** or part **year** of operation of the **registry**.
- 22.3 The registry ongoing costs will include –
- 22.3.1 The costs payable to the **registry operator** in respect of that **year**; and
 - 22.3.2 The administrative costs of the **industry body** associated with the **registry** and its role under these **rules** during that **year**;
 - 22.3.3 The costs of enforcing compliance with these **rules** under the Gas (Compliance) Regulations 2007; and
 - 22.3.4 Any other costs that are determined by the **industry body** to form part of the **registry ongoing costs**.
- 22.4 Once it has determined the estimated **registry ongoing costs** for the first **year** or part **year** of operation, the **industry body** will **publish** those costs (including a breakdown of the costs) on the **industry body's** website.
- 22.5 Every person who is a **retailer** on the first **business day** of a **month** is liable to pay ongoing fees for that **month** in accordance with these **rules**.
- 22.6 Ongoing fees are payable in respect of all **ICPs** except those with a status of **NEW** or **DECOMMISSIONED**.
- 22.7 The ongoing fees payable by each **retailer** are calculated as follows:
- $$A = B \times (C/D)$$
- Where:
- A = the ongoing fees payable by **retailer A**; and
 - B = the estimated **registry ongoing costs** for **month B**; and
-

C = the number of eligible **ICPs** as at the first **business day** of **month B** for which **retailer A** is a **responsible retailer**; and

D = the total number of eligible **ICPs** as at the first **business day** of **month B**.

23. How and when ongoing fees payable

23.1 The ongoing fees are payable to the **industry body**.

23.2 As soon as practicable after publication of the estimated **registry ongoing costs** for the first **year** or part **year** of operation, the **industry body** must notify all **registry participants** of the ongoing fees payable in that **year** or part **year**.

23.3 For each **year** following the first **year** or part **year** of operation, the **industry body** must estimate the **registry ongoing costs** and notify all **registry participants** at least two **months** prior to the beginning of that **year** of the ongoing fees payable in that **year**.

23.4 On the first **business day** of each **month**, the **industry body** or the **registry operator** must invoice every **registry participant** liable to pay the ongoing fees in accordance with rule 22.5 for the ongoing fees payable during that **month** calculated in accordance with rule 22.7.

23.5 As soon as practicable after the end of each **year**, the **industry body** must determine the actual **registry ongoing costs** for that **year**. The **industry body** or the **registry operator** must invoice or credit each **registry participant** liable to pay ongoing fees during that **year** with the difference between the actual **registry ongoing costs** and the amount of the estimated **registry ongoing costs** paid by that **registry participant**.

23.6 The due date for the payment of the ongoing fees is the tenth **business day** after the **registry participant** receives an invoice for that payment.

24. General provisions regarding fees

24.1 Any person who is liable to pay any fee under rules 20 to 24 inclusive, and who fails to make payment of such fee on or before the date on which it falls due, is liable to pay an additional fee of 10% of the amount of the fee that is unpaid.

24.2 The additional fee becomes payable and due on the tenth **business day** after the date that the **industry body** notifies the person that an additional fee is payable.

24.3 The fees payable under rules 20 to 24 inclusive are exclusive of any goods and services tax payable under the Goods and Services Tax Act 1985.

Compliance

25. Compliance

- 25.1** The Gas (Compliance) Regulations 2007 apply to these **rules**.
- 25.2** The **registry operator** is liable under the Gas (Compliance) Regulations 2007 for any breach of these **rules** other than rules 14,15,16,17,19, and 81.5.

Notices and receipt of information

26. Giving of notices

- 26.1** If these **rules** require any notice to be given, the notice must be in writing and be –
- 26.1.1** Delivered by hand to the nominated office of the addressee; or
 - 26.1.2** Sent by post to the nominated postal address of the addressee; or
 - 26.1.3** Sent by facsimile to the nominated facsimile number of the addressee; or
 - 26.1.4** Sent by electronic transmission or any other similar method of electronic communication to the appropriate nominated electronic address of the addressee.
- 26.2** In the case of an emergency, a person may give notice other than in accordance with rule 26.1, but the person must as soon as practicable, confirm the notice in writing and by a method set out in rule 26.1.

27. When notices taken to be given

In the absence of proof to the contrary, notices are taken to be given,-

- 27.1** In the case of notices delivered by hand to a person, when actually received at that person's address;
- 27.2** In the case of notices sent by post, at the time when the letter would in the ordinary course of post be delivered; and in proving the delivery, it is sufficient to prove that the letter was properly addressed and posted;
- 27.3** In the case of notices sent by fax, at the time indicated on a record of its transmission;
- 27.4** In the case of notices sent by electronic transmission or any other similar method of electronic communication -
- 27.4.1** At the time the computer system used to transmit the notice –
 - (a) Has received an acknowledgment or receipt to the electronic mail address of the person transmitting the notice; or
 - (b) Has not generated a record that the notice has failed to be transmitted; or

27.4.2 The person who gave the notice proves the notice was transmitted by computer system to the electronic address provided by the addressee.

28. Entering information in the registry

For the purposes of these **rules**, any reference to entering information in the **registry** means an attempt by the **responsible distributor, responsible retailer, or responsible meter owner** to enter information in the **registry** by electronic transmission or any other similar method of electronic communication (for example and without limitation, using a web browser or file batch transfer).

29. Registry acceptance or rejection of information and notices

29.1 For the purposes of these **rules**,-

29.1.1 Any reference to the acceptance of information in the **registry** or the giving of notices to the **registry** means that the attempt to enter information in the **registry** or to give a notice to the **registry** has been successful and the information or the notice is recorded in the **registry**; and

29.1.2 Any reference to the rejection of information by the **registry** or the rejection of a notice by the **registry** means that the attempt to enter information in the **registry** or to give the notice to the **registry** has been unsuccessful and that the information or the notice is not recorded in the **registry**.

29.2 If these **rules** require the **registry** to give a notice to a **distributor, retailer, or meter owner** stating that any information or notice provided by the party concerned has been rejected by the **registry**, the notice must include the time and date that the notice was rejected by the **registry** and the reason for the rejection.

30. Registry notice of changes to ICP parameter values

30.1 For the purposes of these **rules**, if the **registry** is required to give a notice to a **distributor, retailer or meter owner** because a change to an **ICP parameter value** has been accepted in the **registry**, the notice must identify the **ICP** and **ICP parameter** concerned, and include the new value of the **ICP parameter**, the date in respect of which the change was made, and the time and date that the change was made in the **registry**.

30.2 Where the **registry** is required to give notice of the change to an **ICP parameter value**, one notice shall be provided for each **day** in respect of which a change was made to that **ICP parameter value**, meaning that if more than one change was made the notice will provide the net result of the changes to the **ICP parameter value** for that **day**.

Access to the registry

31. Registry access

- 31.1** Subject to rule 31.3, the following persons shall have **view access** to any of the information accepted in the **registry** in relation to any individual **ICP**:
- 31.1.1** Every **registry participant**; and
 - 31.1.2** Any other person authorised by the **industry body** to have **view access** to the **registry**.
- 31.2** Subject to rule 31.4, every **registry participant** shall have **report access** to current and historical values of all **ICP parameters** for all **ICPs** in the **registry**.
- 31.3** The following persons shall have **write access** to **ICP parameter values** in the **registry** in relation to any individual **ICP**:
- 31.3.1** Every **distributor, retailer, and meter owner** in relation to the initial population of the **registry** as set out in rules 39 and 40;
 - 31.3.2** Every **distributor, retailer, and meter owner** in relation to the creation and readying of new **ICPs** as set out in rules 49 to 54;
 - 31.3.3** Every **distributor, retailer, and meter owner** in relation to maintaining the values of the **ICP parameter** each **ICP** for which they are responsible as set out in rules 56 to 60; and
 - 31.3.4** The **registry operator** as may from time to time be approved by the **industry body**, in consultation with affected **registry participants**.
- 31.4** The **industry body**, in consultation with **registry participants**, must determine:
- 31.4.1** **Report access** restrictions in respect of each **distributor, retailer, and meter owner**; and
 - 31.4.2** The response times required from the **registry** for reports requested by **registry participants**; and
 - 31.4.3** The bounds of the information viewed by any party as a result of an address search conducted on **ICPs** in the **registry**.
- 31.5** Subject to rule 31.4, **registry participants** may request the **registry operator** to provide customised reports on any or multiple **ICPs**.

Other provisions relating to the registry and registry participants

32. Obligation of registry participants to act reasonably

- 32.1** In light of the purpose of the **registry** as set out in rule 37, every **registry participant** must act reasonably in relation to its dealings with the **registry** and, in doing so, must use its reasonable endeavours to co-operate with other **registry participants**.
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32.2 Rule 32.1 does not limit any other obligations a register participant may have under these **rules**.

33. Other obligations of registry participants

33.1 Each **registry participant** must ensure that any software for the **registry** is used in a proper manner by competent employees or by persons under the supervision of those employees.

33.2 No **registry participant** may request, permit, or authorise anyone other than the **registry operator** to provide support services in respect of any software for the **registry**.

33.3 Each **registry participant** must appoint a nominated manager to be responsible for all of that **registry participant's** communications with the **registry**.

34. Use of ICP identifier on invoices

34.1 Every **retailer** must ensure that the relevant **ICP identifier** is printed on any invoice or associated documentation relating to the sale of gas by the **retailer** to a consumer.

34.2 The **ICP identifier** must be clearly labelled "**ICP**" on the invoice.

35. Consumer queries

Every **retailer** and **distributor** must advise any consumer (or any person authorised by the consumer) of the consumer's **ICP identifier** within three **business days** of receiving a request for that information.

Part 2

Gas Registry

Establishing the registry

36. Establishment of registry

The **registry operator** must establish, operate and maintain the **registry** so as to meet the requirements of these **rules**.

37. Purpose of registry

37.1 The purpose of the **registry** is –

37.2 To facilitate efficient and accurate switching of **retailers** by consumers; and

37.3 To provide an authoritative database of current and historical information on all **ICP parameters**, to facilitate accurate billing of consumers and allocation of charges to **retailers**; and

37.4 To provide a mechanism by which the accuracy and timeliness of information provided in relation to an **ICP** is controlled and recorded

38. Requirements of registry

The **registry** must –

38.1 Comply with, and perform in accordance with, the **registry specification**; and

38.2 Fulfil the purpose of the **registry** as set out in rule 37; and

38.3 Subject to the validation requirements set out in these **rules**, accept the information and notices referred to in these **rules**; and

38.4 Maintain a complete audit trail for all information and notices accepted in accordance with these **rules**; and

38.5 Maintain records that enable allocation and reconciliation of energy charges, line charges and metering charges between **retailers**; and

38.6 Facilitate **switches** in accordance with these **rules**; and

38.7 Otherwise perform in accordance with the requirements of these **rules**.

39. Initial population of registry

39.1 Prior to the **go-live date** –

39.1.1 Each **distributor** must enter in the **registry**, values for the **ICP parameters** listed in Part A of Schedule 1, for each **ICP** on its distribution system; and

39.1.2 Each **retailer** must enter in the **registry**, values for the **ICP parameters** listed in Part B of Schedule 1, for each **ICP** for which it supplies gas; and

39.1.3 Each **meter owner** must enter in the **registry**, values for the **ICP parameters** listed in Part C of Schedule 1 in relation to each **ICP** for which it owns the **meter**.

39.2 When entering information in the **registry** under rule 39.1, each **distributor, retailer, and meter owner**, shall only assign a value to an **ICP parameter** in accordance with the **rules** set out in column 2 of each part of Schedule 1.

39.3 Each **distributor, retailer, and meter owner** must use its reasonable endeavours to co-operate with each other to enter information in the **registry** under rule 39.1 having regard to the fact that for each **ICP** there will be a **distributor, retailer, and a meter owner** required to enter information in the **registry** prior to the **go-live date**.

40. Accuracy of initial information

40.1 Prior to the **go-live date**, each **responsible distributor, responsible retailer, and responsible meter owner** must check the accuracy of any information entered in the **registry** in relation to the **ICPs** for which they are responsible.

40.2 If, a **distributor, retailer, or meter owner** becomes aware that any information in the **registry** is incorrect, the **responsible distributor, responsible retailer, or responsible meter owner** must, prior to the **go-live date**, enter the correct information in the **registry**.

Assignment of ICPs to consumer installations

41. Assignment of ICPs

41.1 Each **distributor** must assign an **ICP identifier** for each **consumer installation** that is connected to its distribution system or transmission system.

41.2 An **ICP** must represent a single **consumer installation** that –

41.2.1 May be isolated from the distribution system or transmission system without affecting any other **consumer installation**; and

41.2.2 Has a single **loss factor** and a single network price category; and

41.2.3 Has its gas volume measured directly by a single set of **metering equipment** complying with NZS5259:2004 (or any subsequent replacement standard), or measured indirectly by a method approved by the **industry body** which produces the equivalent of the measurement from a single set of **metering equipment**.

Determination of certain ICP parameter codes

42. The industry body to determine applicable ICP parameter codes

42.1 The **industry body** must determine and **publish** information for the following:

42.1.1 The codes for every **distributor, retailer, meter owner, corrector** owner, datalogger owner and telemetry owner that is, or likely to be, required as a value for any relevant **ICP parameter** on the **registry**; and

42.1.2 The **gas gate** codes for the **gas gates** created by **distributors**; and

42.1.3 The **ICP** types and the code for each **ICP** type; and

42.1.4 The **ICP** status codes; and

42.1.5 The **connection statuses** and the code for each **connection status**; and

42.1.6 The valid combinations of **ICP** status and **connection status** codes for any **ICP**; and

42.1.7 The load shedding categories and the code for each load shedding category; and

42.1.8 The allocation groups and the code used for each allocation group; and

42.1.9 The profiles that may be assigned to **ICPs** and the code for each profile.

42.2 The **industry body** may from time to time amend or revoke any code determined under rule 42.1 and the **industry body** must **publish** any amendment or revocation of a code.

42.3 In the case of a **consumer installation** directly connected to a transmission system:

42.3.1 The **industry body** must assign a unique **gas gate** code to the point of connection between the transmission system and the **consumer installation**; and

42.3.2 The **distributor** must assign an **ICP identifier** to the point of connection between the transmission system and the **consumer installation**.

43. Distributors to give notices in relation to gas gates

43.1 If a **distributor** intends to create or decommission a **gas gate**, the **distributor** must, at least twenty **business days** before the creation or decommissioning takes effect, give notice of that **gas gate** creation or decommissioning to –

43.1.1 The **industry body**; and

43.1.2 The **registry operator**, and

43.1.3 All **allocation agents** and **retailers** that will be affected by the **gas gate** creation or decommissioning.

43.2 When a **distributor** gives notice of the creation of a new **gas gate** or decommissioning of a **gas gate**, the notice must include –

43.2.1 The **gas gate** code assigned by the **industry body** to the relevant **gas gate**; and

43.2.2 The date of creation or decommissioning of the **gas gate**; and

43.2.3 If applicable, the **gas gate** code of the **gas gate's parent gas gate**; and

43.2.4 The **ICP identifier** of all **ICPs** created or decommissioned or transferred between **gas gates** in association with the creation of the new **gas gate**.

44. **Distributors to determine network price category codes**

Each **distributor** must determine, **publish** and maintain a schedule of its network price categories and the respective network price category codes and, except where the **distributor** requires disclosure on application, the charges associated with each of those codes.

45. **Distributors to determine loss factor codes**

Each **distributor** must:

45.1 **publish** and maintain a schedule of all the **loss factors** which apply to **gas gates** on the **distributor's** distribution system; and

45.2 determine, **publish** and maintain the respective codes for those **loss factors**.

46. **Distributors to give notices in relation to loss factor codes**

If a **distributor** intends to add or delete any **loss factor** codes, the **distributor** must, at least twenty **business days** before any such change takes effect, give notice of the impending change to –

46.1 The **registry operator**; and

46.2 All **allocation agents** and **retailers** that will be affected by the change in **loss factor** codes.

47. **Meter owners to determine metering price codes**

47.1 Each **meter owner** must determine, **publish** and maintain a schedule of its metering price codes applicable to all **ICPs** where it is the **responsible meter owner**.

47.2 Each **meter owner** shall provide all **registry participants** with whom it contracts to provide metering services a schedule of its metering price

codes and, except where the **meter owner** requires disclosure on application, the charges associated with each of those codes.

48. Disclosure on application

48.1 Where these rules give a **registry participant** the right to require disclosure on application for certain **ICP** information, that right shall only be used:

48.1.1 where the **registry participant** does not have a reasonably practicable alternative method of protecting its commercial interest in that information; and

48.1.2 to the extent necessary to reasonably protect that interest.

48.2 Where a **registry participant** requires disclosure on application for certain **ICP** information:

48.2.1 Requests for disclosure of that information must be made directly to the **registry participant** concerned.

48.2.2 Upon receiving such a request, the **registry participant** must advise the requester within one **business day** of receiving the request whether or not it agrees to disclose the information requested, such disclosure not being unreasonably withheld.

48.2.3 Where the **registry participant** agrees to disclose the requested information, the requested information shall be provided within a further **business day**.

Creation of new ICPs

49. Creation of new ICPs

49.1 A **retailer** may request a **distributor** to assign an **ICP** for a new **consumer installation** on the distribution system.

49.2 If the **distributor** receives a request under rule 49.1, the **distributor** must, within three **business days** of receiving that request, assign an **ICP** to the new **consumer installation** or advise the **retailer** of the reason why it is unable to assign an **ICP**.

49.3 Once a **distributor** receives confirmation that a new **consumer installation** is first connected to its distribution system, the **distributor** must within two **business days** of receiving that confirmation enter in the **registry** the following minimum information from Part A of Schedule 1:

49.3.1 The **ICP identifier**; and

49.3.2 The **ICP** creation date; and

49.3.3 The **responsible distributor** code; and

49.3.4 The physical address.

50. Registry validation of ICP creation

- 50.1** As soon as possible after the **ICP** and the minimum information has been entered in the **registry** under rule 49.3, the **registry** must –
- 50.1.1** Validate the information entered by confirming –
- (a) That the **ICP identifier** is a valid code and does not otherwise exist in the **registry**; and
 - (b) That the **responsible distributor** code is an available and valid code for the entering **distributor**; and
 - (c) That the **ICP** creation date is not a future date.
- 50.1.2** Based on the validation result, accept or reject the **ICP** and the minimum information and give a notice to the entering **distributor** stating that the **ICP** has been accepted or rejected.
- 50.2** If the **ICP** is accepted in the **registry**, on acceptance denote the **ICP** status as NEW.
- 50.3** Within one **business day** of having accepted the **ICP** and the minimum information in the **registry**, give a notice to the **distributor** stating the **ICP parameters** accepted in the **registry** for that **ICP**.

51. Readying of NEW ICP and registry validation

- 51.1** Once a **distributor** has identified the values of the remaining **ICP parameters** listed in Part A of Schedule 1 apart from **ICP** status and **connection status** with respect to a new **ICP**, the **distributor** must, within two **business days** of identifying those remaining **ICP parameters**, enter them in the **registry**.
- 51.2** As soon as possible after any of the remaining **ICP parameters** have been entered in the **registry**, the **registry** must –
- 51.2.1** Validate the **ICP parameter values** entered by confirming that they are available and valid values for the **distributor**; and
- 51.2.2** Based on the validation result, accept or reject any or all the **ICP parameter values** and give a notice to the **distributor** stating the values have been accepted or rejected.
- 51.3** Within one **business day** of having accepted the full set of values for the **ICP parameters** listed in Part A of Schedule 1 (except **ICP** status), the **registry** must –
- 51.3.1** change the **ICP** status to READY; and
- 51.3.2** give notice to the **distributor** and the expected **retailer** stating the values of all the **ICP parameters** for the **ICP**.
- 51.4** At any time prior to the **retailer** changing the **ICP** status in accordance with rule 52.1.1, the **distributor** may change the **ICP** status to NEW by removing an **ICP parameter** value from the registry while the distributor identifies the value of that **ICP**.
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52. Retailer for READY ICP

- 52.1** Subject to rule 52.2, within two **business days** of a **retailer** entering into a contract to supply gas to a consumer at a **consumer installation** for which its **ICP** has an **ICP** status of READY, the **retailer** must enter in the **registry** values for all of the **ICP parameters** listed in Part B of Schedule 1, including:
- 52.1.1** A change to the value of the **ICP** status according to rule 57.9; and
- 52.1.2** The applicable valid value of the **connection status**.
- 52.2** A **retailer** must not record any information in the **registry** for an **ICP** before the **ICP** status is READY.
- 52.3** To avoid any doubt, the **retailer** that enters information under rule 52.1 may or may not be the expected **retailer** referred to in rule 51.3.2.

53. Registry validation of first retailer information

- 53.1** As soon as possible after all the **ICP parameter values** referred to in rule 52.1 has been entered in the **registry**, the **registry** must –
- 53.1.1** Validate the information entered by confirming that they are available and valid values for the entering **retailer**; and
- 53.1.2** Based on the validation result, accept or reject any or all the **ICP parameter values** and give a notice to the entering **retailer** stating the values have been accepted or rejected.
- 53.2** Within one **business day** of having accepted the information in the **registry**, the **registry** must give notice to the **responsible distributor**, **responsible retailer**, and **responsible meter owner** stating the **ICP parameter values** accepted in the **registry** for that **ICP**.

54. Meter owner information for new ICP

- 54.1** Within the timeframe specified in rule 54.2, the **responsible meter owner** for an **ICP** must enter in the **registry** values for all the **ICP parameters** listed in Part C of Schedule 1.
- 54.2** The timeframe is within two **business days** after the **responsible meter owner** –
- 54.2.1** Has confirmed that the **metering equipment** has been installed at the new **consumer installation**; and
- 54.2.2** Has been notified of the information under rule 53.2 in relation to the **ICP**.

55. Registry validation of first meter owner information

- 55.1** As soon as possible after the **ICP parameters** referred to in rule 54.1 have been entered in the **registry**, the **registry** must –
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- 55.1.1** Validate the information entered by confirming that they are available and valid values for the entering **meter owner**; and
 - 55.1.2** Based on the validation result, accept or reject any or all the **ICP parameter values** and give a notice to the entering **meter owner** stating the values have been accepted or rejected.
- 55.2** Within one **business day** of having accepted the **ICP parameters** in the **registry**, the **registry** must give notice to the **responsible distributor**, **responsible retailer** and **responsible meter owner** for that **ICP** stating the **ICP parameters** that have been accepted in the **registry** for that **ICP**.

Maintenance of ICP information

56. ICP information to be maintained

- 56.1** Each **distributor**, **retailer**, and **meter owner** must use its reasonable endeavours to maintain current and accurate information in the **registry** in relation to the **ICPs** and the **ICP parameters** for which it has responsibility as set out in Schedule 1.
- 56.2** When entering information in the **registry** under rule 56.1, each **distributor**, **retailer**, and **meter owner**, shall only assign a value to an **ICP parameter** in accordance with the **rules** set out in column 2 of each part of Schedule 1.

57. Management of ICP status by distributors and retailers

The **ICP** status recorded on the **registry** is to be managed by **distributors**, **retailers** and the **registry** in accordance with the following rules -

- 57.1** The **ICP** status of NEW may only be assigned by the **registry** in accordance with rule 50.2 and denotes that the **responsible distributor** has not populated all of the **ICP parameters** for which it is **responsible** and the **ICP** is not ready for uplift by a **retailer**.
- 57.2** The **ICP** status of READY may only be assigned by the **registry** in accordance with rule 51.3 and denotes the **ICP** is ready for uplift by a **retailer**.
- 57.3** Subject to the **responsible distributor** changing the **ICP** status from READY to NEW in accordance with rule 51.4, only the **responsible retailer** may change the **ICP** status from READY.
- 57.4** The **ICP** status of ACTIVE-CONTRACTED may only be assigned by the **responsible retailer** and denotes that the **responsible retailer** has entered into a contract to supply gas to a consumer at the **consumer installation** and that either:
 - 57.4.1** gas is able to flow to the installation; or
 - 57.4.2** the gas supply is temporarily disconnected.

- 57.5 The **ICP** status of ACTIVE-VACANT may only be assigned by the **responsible retailer** and denotes that gas is able to flow to the **consumer installation** but the **responsible retailer** does not have a current contract to supply gas to a consumer at the **consumer installation**.
- 57.6 Only the **responsible retailer** may change the **ICP** status from ACTIVE-CONTRACTED or ACTIVE-VACANT.
- 57.7 The **ICP** status of INACTIVE-TRANSITIONAL may only be assigned by the **responsible retailer** and denotes that gas is not able to flow to the **consumer installation** due to a transitional (non-permanent) disconnection of supply.
- 57.8 The **ICP** status of INACTIVE-PERMANENT may only be assigned by the **responsible retailer** and denotes that gas is not able to flow to the **consumer installation** due to a permanent disconnection of supply.
- 57.9 As soon as a **retailer** uplifts an **ICP** in the READY status and assumes the role of **responsible retailer** that **retailer** must change the **ICP** status to one of ACTIVE-CONTRACTED, ACTIVE-VACANT or INACTIVE-TRANSITIONAL as applicable.
- 57.10 Subject to the **responsible distributor** changing the **ICP** status from INACTIVE-PERMANENT to DECOMMISSIONED, only the **responsible retailer** may change the **ICP** status from INACTIVE-TRANSITIONAL or INACTIVE-PERMANENT.
- 57.11 The **ICP** status of DECOMMISSIONED may only be assigned by the **responsible distributor** and denotes that:
- 57.11.1 The **ICP** is removed from future switching and reconciliation processes; and
- 57.11.2 Any associated **consumer installation** is no longer connected to the **responsible distributor's** distribution system.
- 57.12 The **ICP** status of DECOMMISSIONED may only be changed by the **responsible distributor** and may only be changed to INACTIVE-PERMANENT.

58. Management of connection status codes by retailers and distributors

- 58.1 The **connection status** parameter recorded on the **registry** is managed by **distributors** and **retailers**.
- 58.2 In the event that a **distributor** or **retailer** changes the **ICP** status of an **ICP** that **distributor** or **retailer** must ensure that the **ICP's connection status** for the date of the change is recorded in the **registry** in accordance with the status codes and usage requirements **published** by the **industry body** from time to time.

59. Correction of ICP information in registry and registry validation

- 59.1 If, in relation to any information in the **registry**, a **responsible distributor**, **responsible retailer**, or **responsible meter owner** becomes aware that such information is incorrect or requires updating,
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the relevant **responsible distributor**, **responsible retailer**, or **responsible meter owner** must, as soon as practicable, enter the correct or updated information in the **registry**.

59.2 As soon as possible after the information referred to in rule 59.1 has been entered in the **registry**, the **registry** must –

59.2.1 Validate the information entered by confirming that they are available and valid values for the party entering the information; and

59.2.2 Based on the validation result, accept or reject the information in the **registry** by giving a notice to the party entering the information, that the information has been accepted or rejected.

59.3 Within one **business day** of having accepted the information in the **registry**, the **registry** must give notice to the **responsible distributor**, **responsible retailer**, and **responsible meter owner** in accordance with rule 30.

59.4 If the **registry** is required to give a notice under rule 59.3 and a gas switching notice has been given in respect of the **ICP** but the **switch** is not yet complete, in giving notice under rule 59.3 to a **retailer**, the **registry** must give notice to both the **responsible retailer** and the **new retailer**.

60. Distributors, retailers, and meter owners to resolve discrepancies

60.1 In relation to any information for an **ICP** in the **registry**, the **responsible distributor**, **responsible retailer**, and **responsible meter owner** must, to the best of their abilities, resolve any discrepancies between the information held in the **registry** and the information held elsewhere by them.

60.2 In order to identify and resolve any discrepancies in the information held for an **ICP**, each **distributor**, **retailer**, and **meter owner** must, by 4pm on the fifteenth **business day** of each **month**, review the following relevant reports and enter any information corrections in the **registry**:

60.2.1 The **retailer** report under rule 83; and

60.2.2 The **distributor** report under rule 84; and

60.2.3 The **meter owner** report under rule 85.

60.3 Each **distributor**, **retailer**, and **meter owner** must retain records of the reviews and subsequent changes made under rule 60.2 for any audit that may be conducted by, or on behalf of, the **industry body**.

Switching

61. Switching retailers

Rules 62 to 79 apply to **standard switches** and **move switches**.

62. Codes relevant to switching

- 62.1 The **industry body** must determine and **publish** codes for the following:
- 62.1.1 The codes used in the **switch** notice to denote whether the **switch** is a **standard switch** or a **move switch**; and
 - 62.1.2 Register content codes associated with **switch readings** in transfer notices; and
 - 62.1.3 Acceptance codes for gas acceptance notices; and
 - 62.1.4 Reason codes for gas switching withdrawal notices.
- 62.2 The **industry body** may from time to time amend or revoke any code determined under rule 62.1 and the **industry body** must **publish** any amendment or revocation of a code.

63. Initiation of switch

- 63.1 A **switch** is initiated by the **new retailer** under the authority of the consumer electing to change **retailers**.
- 63.2 Before the **new retailer** may initiate a **switch**, the **new retailer** must –
- 63.2.1 Have entered into a contract with the consumer for the supply of gas to the relevant **consumer installation**; and
 - 63.2.2 Have obtained the consumer's agreement to –
 - (a) Effect the **switch**; and
 - (b) Establish the date for commencement of supply through communication with the **responsible retailer**; and
 - (c) Use an **estimated reading** from the **responsible retailer** to define the split of variable charges between the **responsible retailer** and the **new retailer** at the **switch date**; and
 - (d) Collect information relating to the consumer and the **consumer installation** from the **responsible retailer** and elsewhere in order to complete the **switch** and commence gas supply.
 - 63.2.3 Be a party to a valid and subsisting agreement with the owner of the distribution system or transmission system to which the relevant **consumer installation** is connected, allowing the **retailer** to transport and/or sell gas across that distribution system or transmission system; and
 - 63.2.4 Be a party to a valid and subsisting gas sale and purchase agreement providing access to a supply of wholesale gas for distribution; and
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63.2.5 Be a party to a valid and subsisting agreement with the owner(s) of the **metering equipment** at the relevant **consumer installation**, for use of that equipment to measure gas consumption for the **ICP**; and

63.2.6 Be a party to a valid and subsisting agreement with an **allocation agent** authorised to allocate gas at the **gas gate** from which gas is supplied to the **ICP**.

64. Gas switching notice

64.1 Within two **business days** after entering into a contract to supply gas to a consumer at the relevant **consumer installation**, the **new retailer** must initiate the **switch** by giving a gas switching notice to the **registry**.

64.2 The effect of giving the gas switching notice to the **registry** is that the **new retailer** –

64.2.1 Warrants that it has complied with rule 63; and

64.2.2 Is then the agent of the consumer and has authority to obtain from the **responsible retailer**, the information specified in these **rules** for the gas acceptance notice and the gas transfer notice.

65. What gas switching notice must contain

65.1 The gas switching notice must state –

65.1.1 The **ICP identifier**; and

65.1.2 Whether or not it is a **standard switch** using the codes defined by the **industry body**; and

65.1.3 In the case of a **move switch** -

(a) The requested **switch date**; and

(b) The physical address of the **ICP**.

65.2 The gas switching notice may state –

65.2.1 The name of the consumer requesting the **switch**; and

65.2.2 Subject to rule 65.4, a request for the last twelve **months** of **register readings** from the **metering equipment** at the **consumer installation**; and

65.2.3 In the case of a **standard switch**, –

(a) Subject to rule 65.3, the requested **switch date**; and

(b) The physical address of the **ICP**.

65.3 If the **new retailer** includes a requested **switch date** for a **standard switch**, that date must not be less than seven **days** after the date the gas switching notice is given to the **registry**.

65.4 If the new retailer requests the last twelve months of register readings from the meter at the consumer installation –

65.4.1 The **new retailer** and the **responsible retailer** must agree as to how the **register readings** shall be provided; and

65.4.2 The **registry** is not obliged to provide any facility to communicate the **register readings** from the **responsible retailer** to the **new retailer**.

66. Registry validation of gas switching notice

66.1 As soon as possible after having received the gas switching notice, the **registry** must –

66.1.1 Validate the information contained in the gas switching notice by confirming–

(a) That the **ICP** status for the **ICP** is;–

(i) ACTIVE-CONTRACTED or

(ii) ACTIVE-VACANT; or

(iii) INACTIVE-TRANSITIONAL; or

(iv) INACTIVE-PERMANENT; and

(b) That any codes used in the notice are available codes; and

(c) That, in the case of a **move switch**, there is a requested **switch date**; and

66.1.2 Based on the validation result, accept or reject the gas switching notice by giving a notice to the **new retailer** stating that the gas switching notice has been accepted or rejected.

66.2 Within one **business day** of having accepted the gas switching notice, the **registry** must give the gas switching notice to the **responsible retailer**.

67. Response to an accepted gas switching notice

67.1 Within two **business days** after receiving a gas switching notice from the **registry**, the **responsible retailer** must give to the **registry** –

67.1.1 A gas acceptance notice that states that the **responsible retailer** intends the **switch** to take place on an expected **switch date**; or

67.1.2 A gas transfer notice that includes all the information required to complete the **switch**; or

67.1.3 A gas switching withdrawal notice that states that the **responsible retailer** believes that the gas switching notice should be withdrawn.

67.2 If the **responsible retailer** gives a gas acceptance notice, it must give a gas transfer notice to the **registry** within twenty-three **business days** after receiving the gas switching notice from the **registry**.

67.3 Except where a gas switching withdrawal request has been given, the **responsible retailer** must give a gas transfer notice within two **business days** of the **switch date** included in the gas transfer notice.

68. What gas acceptance notice must contain

A gas acceptance notice must state –

68.1 The **ICP identifier**; and

68.2 An expected **switch date** which –

68.2.1 Except as required under rule 70.2, is not limited to any requested **switch date** in the gas switching notice; but

68.2.2 Must be no later than twentythree **business days** after the date the **responsible retailer** received the gas switching notice from the **registry**; and

68.3 An acceptance code, as defined by the **industry body**, to communicate certain information that might be useful to the **new retailer** in deciding whether to proceed with or withdraw the **switch**.

69. Registry validation of gas acceptance notice

69.1 As soon as possible after having received the gas acceptance notice, the **registry** must –

69.1.1 Validate the gas acceptance notice by confirming that any codes used in the notice are available codes; and

69.1.2 Based on the result of that validation, accept or reject the gas acceptance notice by giving a notice to the **responsible retailer** that the gas acceptance notice has been accepted or rejected.

69.2 Within one **business day** of having accepted the gas acceptance notice, the **registry** must give the gas acceptance notice to the **new retailer**.

69.3 To avoid any doubt, if a gas acceptance notice is rejected by the **registry**, the **responsible retailer** must still comply with rule 67.

70. What gas transfer notice must contain

70.1 A gas transfer notice must state –

70.1.1 The **ICP identifier**; and

70.1.2 Subject to rule 70.2, the **switch date**; and

- 70.1.3 An annualised consumption (in gigajoules) estimate for the **ICP**; and
 - 70.1.4 The **meter** location code; and
 - 70.1.5 The date of the last **actual reading** recorded for the **ICP**; and
 - 70.1.6 The **meter** identifier; and
 - 70.1.7 The **meter** pressure; and
 - 70.1.8 For each register for which information is being conveyed –
 - (a) The **register multiplier**; and
 - (b) The number of dials on the register; and
 - (c) The **switch reading** for the register, which must contain the same number of digits as the number of dials on the register; and
 - (d) Whether the **register reading** is an **actual reading** or an **estimated reading**; and
 - (e) The register content code; and
 - 70.1.9 Any additional information that can be reasonably expected to be important to the accuracy of the **switch** and subsequent consumer billing and allocation processes.
- 70.2 If the gas switching notice included a requested **switch date**, the **responsible retailer** must –
- 70.2.1 Use the requested **switch date** as the **switch date** and provide **switch readings** applicable to that date; or
 - 70.2.2 If the **responsible retailer** has billed a consumer for the **ICP** up to a date after the requested **switch date**, use the **day** after the billed-to-date as the **switch date** and the billed readings as the **switch readings**.
- 70.3 If, due to a transitional exemption provided by the **industry body**, an **ICP** has more than one **meter**, the **meter** identifiers of the **meters** not identified as set out in rule 70.1.6 must be included in the gas transfer notice as additional information under rule 70.1.9.

71. Registry validation of gas transfer notice

- 71.1 As soon as possible after having received the gas transfer notice, the **registry** must –
- 71.1.1 Validate the information in the gas transfer notice by confirming–
 - (a) That any codes used in the notice are available codes; and
-

(b) That the number of digits provided for each **register reading** is equal to the number of dials specified for the relevant register; and

71.1.2 Based on the validation result, accept or reject the notice by giving an acknowledgement to the **responsible retailer** that the notice has been accepted or rejected.

71.2 Within one **business day** of having accepted the gas transfer notice, the **registry** must –

71.2.1 Show the **new retailer** as the **responsible retailer** for the **ICP**, effective on and from the **switch date**; and

71.2.2 Give the gas transfer notice to the **responsible retailer**; and

71.2.3 Give a notice to the former **responsible retailer**, the **responsible retailer**, the **distributor**, and the **meter owner**, confirming the identity of the **responsible retailer** and the **switch date**.

72. Accuracy of switch readings

72.1 In the gas transfer notice, the **responsible retailer** must provide **switch readings** (whether **actual readings** or **estimated readings**) that are as accurate as feasible for the particular method used to collect or derive the readings.

72.2 In order to facilitate the accuracy of **switch readings** for **move switches** –

72.2.1 The **responsible retailer** must continue to take **actual readings** from the **metering equipment** for all **ICPs** where the **ICP** status is ACTIVE-CONTRACTED or ACTIVE-VACANT; and

72.2.2 All relevant **actual readings** must be included in the **responsible retailer's** processes to determine the (actual or estimated) **switch readings** for the gas transfer notice.

72.3 Where an **ICP** is switched while its **ICP** status is INACTIVE-TRANSITIONAL and the **responsible retailer** uses **estimated readings** for the **switch readings**, the **responsible retailer** will comply with rule 72.1 if the **responsible retailer** –

72.3.1 Continued to collect **actual readings** from the **metering equipment** (in accordance with the **responsible retailer's** normal reading schedule) until the physical disconnection of the **ICP's consumer installation**; and

72.3.2 Used those **actual readings** in the derivation of the **estimated readings** for the **ICP**.

72.4 If the **metering equipment** for any **ICP** resets to zero after each **actual reading**, the gas transfer notice may specify that the **switch reading** is zero.

72.5 If the **consumer installation** has its volume of gas consumption determined by the difference between **register readings** at other **consumer installations** or **gas gates**, the gas transfer notice must specify that the **switch reading** is zero.

73. Withdrawal of switching

73.1 A **switch** may only be withdrawn if –

73.1.1 There has been an error in the **switch** process such that the **switch** is not giving effect to, or has not given effect to, the agreement with the consumer; or

73.1.2 The consumer, exercising his or her contractual or statutory rights, has requested the **switch** to be withdrawn.

73.2 A switching withdrawal may only be initiated by –

73.2.1 In the case of a **switch** that is incomplete (where a **new retailer** has given a gas switching notice to the **registry** but has not received a gas transfer notice), either the **responsible retailer** or the **new retailer**; or

73.2.2 In the case where a **switch** has been completed, by the **responsible retailer** or the former **responsible retailer**.

73.3 A switching withdrawal must be initiated by means of a gas switching withdrawal notice being given to the **registry** and may only be issued in the period between –

73.3.1 The date that the gas switching notice is sent to the **registry** by the **new retailer**; and

73.3.2 The date that a new gas switching notice is received by the same **retailer** who is now the **responsible retailer** for that **ICP**.

74. What gas switching withdrawal notice must contain

74.1 The gas switching withdrawal notice must state –

74.2 The **ICP identifier**; and

74.3 The reason code for the switching withdrawal.

75. Registry validation of gas switching withdrawal notice

75.1 As soon as possible after having received the gas switching withdrawal notice, the **registry** must –

75.1.1 Validate the information in the gas switching withdrawal notice by confirming –

(a) That any codes used in the notice are available codes; and

- (b) That the notice has been given by a **retailer** authorised to give the notice under rule 73.2; and

75.1.2 Based on the validation result, accept or reject the gas switching withdrawal notice by giving notice to the **retailer** that gave the gas switching withdrawal notice that it has been accepted or rejected.

75.2 Within one **business day** of having accepted the gas switching withdrawal notice, the **registry** must give the gas switching withdrawal notice to the other **retailer** involved in the **switch** as set out in rule 73.2.

76. Retailer response to a gas switching withdrawal notice

76.1 Within two **business days** after receiving a gas switching withdrawal notice under rule 74.3, the recipient **retailer** must give the **registry** a gas switching withdrawal response notice.

76.2 The gas switching withdrawal response notice must state whether or not the gas switching withdrawal notice is accepted or rejected. A **retailer** must accept a gas switching withdrawal notice if –

76.2.1 There has been an error in the **switch** process such that the **switch** is not giving effect to, or has not given effect to, the agreement with the consumer; or

76.2.2 The consumer is legally entitled to have the **switch** withdrawn.

76.3 If the gas switching withdrawal response notice accepts the gas switching withdrawal notice, then –

76.3.1 Within one **business day** of having received the gas switching withdrawal response notice, the **registry** must –

(a) Give the gas switching withdrawal response notice to the other **retailer** involved in the **switch** as set out in rule 73.2; and

(b) If there has been a change in **responsible retailer** as a result of the acceptance of the gas switching withdrawal, give notice to both **retailers** involved in the switching withdrawal, the **distributor**, and the **meter owner** of the change in **responsible retailer**; and

76.3.2 In the case where rule 73.2.1 applies, the uncompleted **switch** is terminated prior to completion and does not result in a change of **responsible retailer** for the **ICP**; and

76.3.3 In the case where rule 73.2.2 applies, the completed **switch** is reversed and there is a change in **responsible retailer** for the **ICP**, to the **retailer** who was the former **responsible retailer**.

76.4 If the gas switching withdrawal response notice rejects the gas switching withdrawal notice, then –

76.4.1 Within one **business day** of having received the gas **switch** withdrawal response notice, the **registry** must give the gas

switching withdrawal response notice to the other **retailer** involved in the **switch** as set out in rule 73.2; and

76.4.2 That particular gas switching withdrawal process is at an end; and

76.4.3 To avoid any doubt, if the gas switching withdrawal notice was given by a **responsible retailer** as a response to a gas switching notice, the **responsible retailer** must still comply with rule 67 but may not give another gas switching withdrawal notice for the same gas switching notice.

77. Renegotiation of switch readings

77.1 This rule applies if a **responsible retailer** disputes the accuracy of a **switch reading** provided by the former **responsible retailer** in a gas transfer notice.

77.2 The **responsible retailer** may request an adjustment to a **switch reading** by giving a **switch reading** renegotiation request notice to the **registry**.

77.3 For a particular **ICP**, a **switch reading** renegotiation request notice may only be given in relation to –

77.3.1 The most recent **switch**; and

77.3.2 One **switch reading**.

77.4 The **switch reading** renegotiation request notice must state –

77.4.1 The **ICP identifier**; and

77.4.2 The **switch date**; and

77.4.3 The **meter** identifier; and

77.4.4 The content code for the **switch reading** concerned; and

77.4.5 The proposed replacement **switch reading**; and

77.4.6 The basis on which the proposed replacement **switch reading** has been determined.

78. Registry validation of switch reading renegotiation request

78.1 As soon as possible after having received the **switch reading** renegotiation request notice, the **registry** must –

78.1.1 Validate the information in the **switch reading** renegotiation request notice by confirming that the request has been given by the **responsible retailer** as authorised by rule 77.1; and

78.1.2 On the basis of that validation, accept or reject the request by giving a notice to the **responsible retailer** that the request has been accepted or rejected.

78.2 Within one **business day** of having accepted the **switch reading** renegotiation request notice, the **registry** must give the **switch reading** renegotiation request notice to the former **responsible retailer** as referred to in rule 77.1.

79. Retailer response to switch reading renegotiation request

79.1 Within two **business days** after receiving the **switch reading** renegotiation request notice, the recipient **retailer** must give to the **registry** a **switch reading** renegotiation response notice stating whether or not the **switch reading** renegotiation request is accepted or rejected.

79.2 Within one **business day** of having received the **switch reading** renegotiation response notice, the **registry** must give the **switch reading** renegotiation response notice to the **responsible retailer**.

79.3 If the **switch reading** renegotiation request notice is rejected by the recipient **retailer**, the two **retailers** concerned must endeavour to resolve the matter by other negotiation.

80. Bypass

80.1 A bypass occurs when the **distributor** providing the connection service to a **consumer installation** is replaced.

80.2 The **registry participants** directly involved in effecting any bypass must process the bypass as either the creation of a new **ICP** or the re-commissioning of an **ICP**, in accordance with these **rules**.

80.3 Not less than ten **business days** before a **retailer** intends giving effect to a bypass, the **retailer** must give notice to the **responsible retailer** and the **responsible distributor** that there is going to be a bypass in relation to the **consumer installation** concerned.

Reports from the registry

81. Reports from the registry

The **registry operator** must provide or **publish**, the following reports –

81.1 The general reports under rule 82; and

81.2 The **retailer** report under rule 83; and

81.3 The **distributor** report under rule 84; and

81.4 The **meter owner** report under rule 85; and

81.5 Any other report as may be agreed from time to time between the **registry operator** and the **industry body**.

82. General reports

82.1 By 9.00 am on the sixth **business day** of each **month**, the **registry operator** must **publish** a report which states –

82.1.1 The number of **ICPs** (categorised by each **ICP** status and **distributor**) contained on the **registry** as at the last **day** of the previous **month**; and

82.1.2 The number of valid gas switching notices received by the **registry operator** during the previous **month**.

82.2 By 4.00 pm on the fifteenth **business day** of each **month**, the **registry operator** must **publish** a report on each **registry participant's** compliance with the timeframes specified in these **rules** during the previous **month**.

82.3 The content and format of the report referred to in rule 82.2 will be specified by the **industry body** in consultation with **registry participants** and the **registry operator**.

83. Retailer report

83.1 By 9.00 am on the first **business day** of each **month**, the **registry operator** must give each **retailer** a report that shows –

83.1.1 All the **ICPs** for which that **retailer** was identified in the **registry** as **responsible retailer** during the previous **month**; and

83.1.2 For each of those **ICPs**, and for each period that the **retailer** was the **responsible retailer** during that **month**, the values and effective dates of all **ICP parameters** in Schedule 1 Part B.

84. Distributor report

84.1 By 9.00 am on the first **business day** of each **month**, the **registry operator** must give each **distributor** a report that shows –

84.1.1 All the **ICPs** for which that **distributor** was identified in the **registry** as **responsible distributor** during the previous **month**; and

84.1.2 For each of those **ICPs**, the values and effective dates of all **ICP parameters** in Schedule 1 Part A.

85. Meter owner report

85.1 By 9.00 am on the first **business day** of each **month**, the **registry operator** must give each **meter owner** a report that shows –

85.1.1 All the **ICPs** for which that **meter owner** was identified in the **registry** as **responsible meter owner** during the previous **month**; and

85.1.2 For each of those **ICPs**, the values and effective dates of all **ICP parameters** in Schedule 1 Part C.

Part 3

Transitional provisions

86. Treatment of switches initiated before commencement of rules

86.1 Except if the **switch** is not completed before the expiry date of the transitional functionality provided for in rule 87, where a **switch** between **retailers** has been initiated but not completed before the **go-live date**, the **switch** must be completed in accordance with the arrangements that existed on the date the **switch** was initiated.

86.2 In the event that a **switch** initiated before the **go-live date** is not completed before the expiry date of the transitional functionality provided for in rule 87, the initiating **retailer** shall cancel the **switch** and, if still required by the consumer, initiate a **switch** in accordance with rules 61 to 79.

87. Period of transitional functionality

87.1 In order to facilitate the initial population of the **registry**, and to facilitate completion of switches initiated prior to establishment of the **registry**, the **registry operator** shall provide transitional functionality to the **registry** to enable a change of **responsible retailer** other than through these **rules**.

87.2 The transitional functionality shall have an expiry date which shall be agreed with the **industry body**.

88. Transitional exemption

88.1 A **registry participant** may apply in writing to the **industry body** for a transitional exemption from complying with one or more of these **rules**.

88.2 A transitional exemption applies for a period set out in the exemption and must set out alternative arrangements for complying with one or more **rules**.

88.3 In the application, the **registry participant** must set out in detail the reasons for the exemption, the period for which the exemption should be in effect and what alternative arrangements should apply.

88.4 If, after considering the reasons, the **industry body** is satisfied that a transitional exemption should be granted, the **industry body** may by notice in writing grant the transitional exemption to the **registry participant** which, in addition to stating the alternative arrangements that will apply, may be subject to such other conditions as the **industry body** thinks fit.

89. Transitional provision for reports

Where the **registry operator** is required to give reports under rules 81 to 85 and the time periods to which the reports relate have not yet elapsed since those rules came into force, the **registry operator** must give the reports in accordance with those rules as if the applicable time periods had elapsed.

Schedule 1

Part A

ICP parameters maintained by Distributors

ICP Parameter	Rules governing values assigned
ICP Identifier	The unique 15-character identifier assigned to the ICP by the distributor .
ICP creation date	The date that the distributor deems the ICP to be created, which must be not later than the date that the gas service pipe to the ICP's consumer installation is first livened. It is the earliest date for any event relating to the ICP in the registry .
Responsible Distributor	The code of the responsible distributor and creator of the ICP . Distributor codes are determined and published by the industry body from time to time.
Network Pressure	The value of the nominal operating pressure, expressed numerically in kilopascals, of the distribution system or transmission system to which the ICP's consumer installation is connected.
ICP Altitude	The altitude, expressed in metres above mean sea level, of the meter measuring gas consumption for the ICP's consumer installation , and for use in any required (non-dynamic) correction of the metered gas volume to standard volume.
Gas gate	The code of the gas gate from which the distributor deems gas is delivered to the ICP's consumer installation . Gas gate codes are determined and published by the industry body from time to time.
ICP Type	The code representing the ICP type. ICP types and ICP type codes are determined and published by the industry body from time to time.
ICP Status	The code representing the ICP status. ICP status is maintained by the responsible distributor as set out in rule 57. At ICP creation and ICP readying, the value is assigned by the registry as set out in rule 51.3.
Connection status	The code representing the connection status . Connection status is maintained by the responsible distributor in accordance with the requirements published by the industry body under rule 58.2.
Load Shedding Category	The code representing the load shedding category that identifies the position of the ICP's consumer installation in the hierarchy for emergency shedding of gas load. Load shedding categories and codes are determined and published by the industry body from time to time.
Maximum Hourly Quantity (MHQ)	The value of the maximum quantity of gas, in cubic metres, that the gas-consuming equipment at the consumer installation is capable of drawing per hour. The value is distinct from the capacity of the gas service pipe or metering equipment serving the consumer installation . Mandatory only where MHQ is used to determine the distributor's network charges. May be conveyed by means of a 'disclosure on application' code in accordance with Rule 48.

Expected Retailer	The code of the retailer that the distributor expects to be the first responsible retailer for the ICP .
Network Price Category	The code of the network price category to which the ICP belongs, as determined and published by the distributor . May be conveyed by means of a 'disclosure on application' code in accordance with Rule 48.
Loss factor Code	The code that identifies the loss factor applicable to the ICP's consumer installation .
Network Price Details	A free-text parameter to allow the distributor to provide other information relevant to the network pricing of the ICP's consumer installation .
Physical Address	The physical address assigned by the distributor to the ICP's consumer installation , so that the ICP can be unambiguously identified with the consumer installation , in the registry .

With the exception of the **ICP identifier** and **ICP** creation date parameters, each of the parameters in Schedule 1 part A has an associated effective date, being the date from which the current value of the **ICP parameter** became applicable.

Part B

ICP parameters maintained by Retailers

ICP Parameter	Rules governing values assigned
Responsible Retailer	The code of the retailer with current responsibility for the ICP . Retailer codes are determined and published by the industry body from time to time.
ICP status	The code representing the ICP status. ICP status is maintained by the responsible retailer as set out in rule 57.
Connection status	The code representing the connection status . Connection status is maintained by the responsible retailer in accordance with the requirements published by the industry body under rule 58.2.
Allocation Group	The code represents the allocation group to which the ICP belongs, as published by the industry body from time to time.
Profile	The code that identifies the profile assigned to the ICP . Profile codes are determined and published by the industry body from time to time.
Responsible Meter owner	The code, of the responsible meter owner . Responsible meter owner is assigned according to the authority of a service agreement between the responsible retailer and the meter owner providing the meter measuring consumption for the ICP . Meter owner codes are determined and published by the industry body from time to time.

Each of the parameters in Schedule 1 Part B has an associated effective date, being the date from which the current value of the **ICP parameter** became applicable.

Part C

ICP parameters maintained by Meter Owners

ICP Parameter	Rules governing values assigned
Meter Identifier	The serial number or other unique identifier of the meter that measures volume consumption for the ICP's consumer installation , as assigned by the meter owner . However, if the consumption information is being measured by difference, the meter identifier value must be "DIFFERENCE".
Meter Location Code	The code, as defined in a published schedule of meter location codes by the meter owner , that advises the location of the meter used to record consumption at the consumer installation .
Standard Meter	A 'Y'es or 'N'o value to indicate the use or not of a standard meter (being one that is not a prepay meter) for measurement of consumption volume for the ICP's consumer installation .
Prepay Meter	A 'Y'es or 'N'o value to indicate the use or not of a prepay meter for measurement of consumption volume for the ICP's consumer installation .
Logger Owner	The code of the owner of any datalogger included in the metering equipment measuring consumption volume for the ICP's consumer installation metering - whether or not the datalogger is in use at the time. Logger owner codes are determined and published by the industry body from time to time.
Corrector Owner	The code of the owner of any corrector included in the metering equipment measuring consumption volume for the ICP's consumer installation metering - whether or not the corrector is in use at the time. Corrector owner codes are determined and published by the industry body from time to time.
Telemetry Owner	The code of the owner of any telemetry included in the metering equipment measuring consumption volume for the ICP's consumer installation metering - whether or not the telemetry is in use at the time. Telemetry owner codes are determined and published by the industry body from time to time.
Metering Price Category	The code of the metering price category that identifies the charges applicable to the full set of metering equipment currently used to measure and convey the consumption volume information for the ICP's consumer installation . The codes are as defined and made available by the meter owner . May be conveyed by means of a 'disclosure on application' code in accordance with Rule 48.

In the case of the 'Y'es and 'N'o values for the 'standard **meter**' and 'prepay **meter**' parameters, there may not be more than one 'Y' value between the two parameters, but there may be two 'N' values to signify that the **consumer installation** is unmetered.

Each of the parameters in Schedule 1 part C has an associated effective date, being the date from which the current value of the **ICP parameter** became applicable.