



IRWG – Meeting#2

27 November 2013

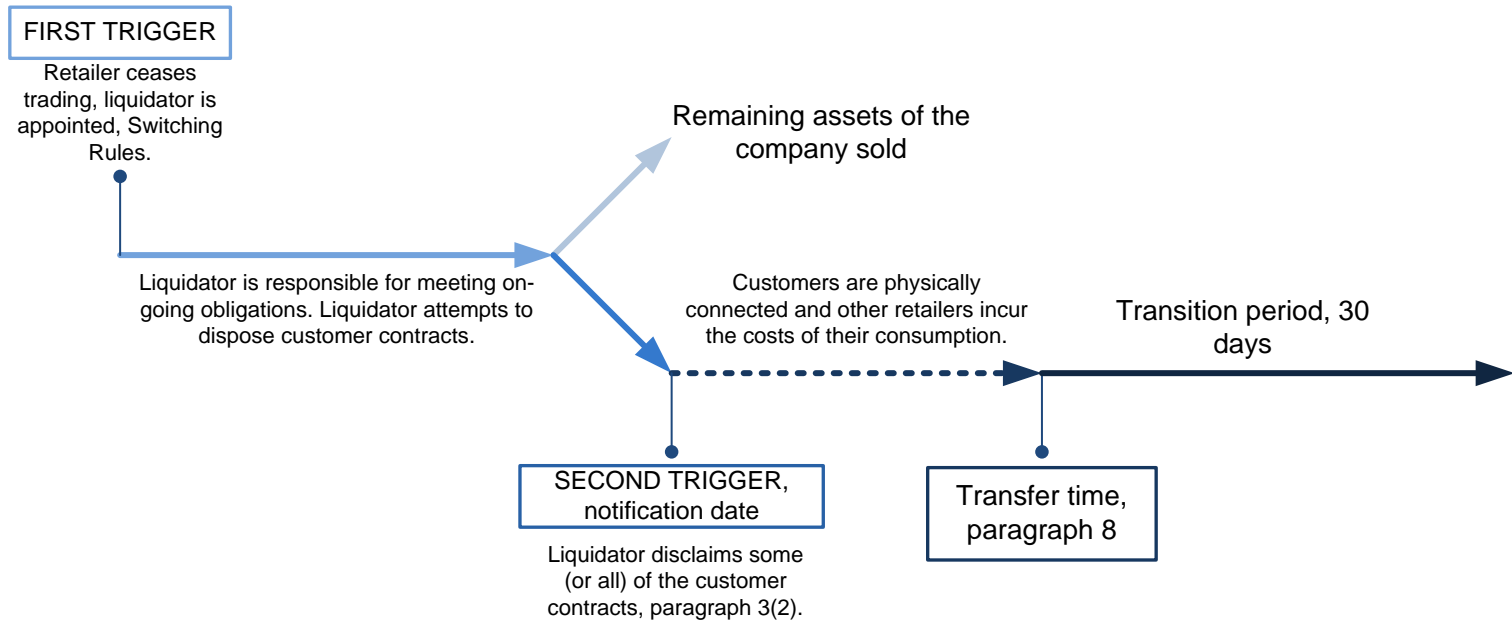
Agenda

- 1. Welcome, agenda** **11:00**
- 2. Matters arising from the last meeting** **11:05**
- 3. Changes to Switching Rules** **11:15**
- 4. Specifications of drafting instructions** **11:35**
- 5. Wrap-up and next steps** **12:55**

2. Matters arising from last meeting

- Comments are invited on the Minutes from the last meeting

Process outline



3 CHANGES TO SWITCHING RULES

**Consider incorporating pre-trigger into the Switching Rules;
introducing information exchange file format**

Trigger for information exchange

First trigger – in Switching Rules

Gas Industry Co may request the insolvent retailer to supply information necessary for customer transition at the time a liquidator is appointed.

Gas Industry Co must first specify to the insolvent retailer—

1. the information it requires to prepare a customer allocation plan in order to proceed with the customer transfer, in a timely manner, in case the liquidator disclaims assets, which may include information concerning—
 - a) details of each of its customer contracts;
 - b) meter readings;
 - c) capacity reservations; and
 - d) identity of the insolvent retailer's gas producer or gas wholesaler;

Additional information: creating **GIEP4**, analogy: EIEP4
2. the time within that information must be provided; and
3. the form in which the information must be provided.

(clause 6 of 2010 Regulations)

EIEP4

Description	Example	Relevant?
Detail record type	DET – indicates the row is a detail record	Y
ICP	0123456789XXCCC	Y
Customer legal name	ABC Trading Ltd	Y
Customer name	MR F DAGG & MRS MARY MUIR	Y
Customer trading name	Oasis Orchards	Y
Install addr unit	The unit number of a building on a site.	Y
Install addr number	64A	Y
Install addr street	High Street	Y
Install addr suburb	Suburbia	Y
Install addr town	Anytown	Y
Install addr region		Y
Install addr postcode	3030	Y

EIEP4 (cont.)

Description	Explanation, example	Relevant?
Install property name		Y
Home phone	07 577 7775	Y
Bus phone	07 577 7778	Y
Fax number	07 577 7779	Y
Email addr	ano@other.co.nz	Y
Postal free form	All postal fields can be Null. But are mandatory if available.	Y
Postal addr unit, number, street...zip code	as at installation address	Y
Postal Box/RD	PO Box or RD and number	Y
Postal addr country	Australia	Y
Event date	Date customer moved in to the above address, eg 30/12/2000	Y

EIEP4 (cont.)

Description	Explanation, example	Relevant?
ANZSIC code	Australian and New Zealand Standard Industrial Classification code, published by Statistics NZ. In electricity industry the traders are required to populate and maintain ANZSIC codes in the registry. Unless available then null, eg A92536	N?
Bus name	BusName code (note NSP is the combination of BusName and Network ID), eg ALB0331	Gas gate
Line category code	(work required by Distributors to develop and publish), eg 20A	Network pricing code
Losses code	(work required by Distributors to develop and publish), eg 21A The relevant code in the schedule recorded against an ICP in the registry, and published by the registry that identifies the relevant loss factors that apply to submission information	Loss factor code
Installed capacity	In kVA (i.e. the capacity charged for, this may/may not relate to the fuse rating), eg 100	Hourly Quantity (MHQ)
Disconnection restriction	flag yes/no for a disconnection restriction eg dialysis machine, eg YES	N
Customer no.	Retailer's customer identifier, eg 3948762	Y
Consumer no.	Retailer's consumer number. Defined as the retailer's unique ID that links the premises and the customer, eg 96953810	Y

EIEP4 (cont.)

Description	Explanation, example	Relevant?
Customer title	MR~MRS	Y
Customer surname	DAGG~MUIR	Y
Customer first name	F~MARY	Y

Possible additional information required by GIEP4

- **Dual fuel customer (Y/N)**
- **ICP status**
- **Customer's fixed and variable pricing**
- **Annualised consumption estimate**
- **Current meter read**

4 SPECIFICATIONS OF DRAFTING INSTRUCTIONS

Discussing the draft 'drafting instructions' by sections

Triggers for invoking regulations

Second trigger – in drafting instructions, paragraph 3

Liquidator disclaims customer contracts

Is this an appropriate trigger for invoking the regulation?

System for transferring customer contracts

Paragraph	Comments
4 Transfer by industry body of insolvent retailer's customer contracts	<ul style="list-style-type: none">• Can Gas Industry Co transfer customers where the contract has not been disclaimed but the retailer has ceased trading – ie the contract is not being “performed”?• Legal advice sought.
5 Notice to retailers of proposed transfer	<ul style="list-style-type: none">• Change: the information the insolvent retailer must provide GIC will be part of the first trigger.
6 Industry participants to co-operate with industry body	Unchanged

System for transferring customer contracts

Paragraph	Comments
7 Process of transferring contracts	<ul style="list-style-type: none">• Retailers over the 10% threshold should <u>not be able to opt out</u> of receiving customers (calculated separately for AG1-3 and AG4-6).• Threshold applies to customer base on the notification date – <u>with</u> the insolvent retailer’s market share.• AG1&2 customers will not be allocated using a different allocation methodology, but market share should be calculated based on <u>volume</u>, not ICP count.• All ICPs of the insolvent retailer, including <u>active-vacant</u> and <u>inactive</u>, should be transferred to recipient retailers to ensure that they continue to be monitored by a retailer.
8 Transfer of contracts	Unchanged

Example, customer allocation

Status: ACTC				ICP count				
CCM	Pipeline	AG	Code	R1	R2	R3	R4	Total
Non-domestic	A	1		0	3	2	0	5
		2		0	8	3	0	11
	B	1		0	5	2	0	7
		2		0	10	4	0	14
		4	CG1	1	0	4	0	5
			CG2	2	0	5	0	7
		6	CG1	2	0	0	0	2
			CG2	3	0	0	0	3
Total				8	26	20	0	54
Domestic	A	4	CG1	0	0	9	35	44
			RES	0	0	12	45	57
		6	CG1	0	0	12	32	44
			CG2	0	0	9	18	27
	B	4	G06	20	0	5	19	44
			G11	30	0	15	15	60
			G12	15	0	0	35	50
		6	CG1	20	0	0	45	65
			DOA	30	0	20	49	99
			G06	15	0	15	23	53
Total				130	0	97	316	543

- Retailer1:** small domestic retailer, customers only on pipeline "B"
- Retailer2:** only non-domestic customers
- Retailer3:** mid-sized retailer with a mix of customers, becomes insolvent
- Retailer4:** large retailer with domestic customers on both pipelines

Example, customer allocation

Status: ACTC				ICP count				
CCM	Pipeline	AG	Code	R1	R2	R3	R4	Total
Non-domestic	A	1		0	3	2	0	5
		2		0	8	3	0	11
	B	1		0	5	2	0	7
		2		0	10	4	0	14
		4	CG1	1	0	4	0	5
			CG2	2	0	5	0	7
	6	CG1	2	0	0	0	2	
		CG2	3	0	0	0	3	
Total				8	26	20	0	54
Domestic	A	4	CG1	0	0	9	35	44
			RES	0	0	12	45	57
		6	CG1	0	0	12	32	44
			CG2	0	0	9	18	27
	B	4	G06	20	0	5	19	44
			G11	30	0	15	15	60
			G12	15	0	0	35	50
		6	CG1	20	0	0	45	65
			DOA	30	0	20	49	99
			G06	15	0	15	23	53
Total				130	0	97	316	543

Retailer1: small domestic retailer, customers only on pipeline "B"

Retailer2: only non-domestic customers

Retailer3: mid-sized retailer with a mix of customers, becomes insolvent

Retailer4: large retailer with domestic customers on both pipelines

Same allocation methodology applies to **other statuses** (ACTV, INACP, INACT): ICP allocation (of all other statuses) will also be based on ACTC market share.

Example, customer allocation

Status: ACTC				ICP count					
CCM	Pipeline	AG	Code	R1	R2	R3	R4	Total	
Non-domestic	A	1		0	3	2	0	5	
		2		0	8	3	0	11	
	B	1		0	5	2	0	7	
		2		0	10	4	0	14	
		4	CG1	1	0	4	0	5	
			CG2	2	0	5	0	7	
		6	CG1	2	0	0	0	2	
			CG2	3	0	0	0	3	
	Total				8	26	20	0	54
	Domestic	A	4	CG1	0	0	9	35	44
			RES	0	0	12	45	57	
6			CG1	0	0	12	32	44	
			CG2	0	0	9	18	27	
B		4	G06	20	0	5	19	44	
			G11	30	0	15	15	60	
			G12	15	0	0	35	50	
		6	CG1	20	0	0	45	65	
			DOA	30	0	20	49	99	
			G06	15	0	15	23	53	
Total				130	0	97	316	543	

Retailer1: small domestic retailer, customers only on pipeline "B"

Retailer2: only non-domestic customers

Retailer3: mid-sized retailer with a mix of customers, becomes insolvent

Retailer4: large retailer with domestic customers on both pipelines

Same allocation methodology applies to **other statuses** (ACTV, INACP, INACT): ICP allocation (of all other statuses) will also be based on ACTC market share.

Domestic/non-domestic separation based on CCM curtailment bands

Example, customer allocation

Status: ACTC				ICP count					
CCM	Pipeline	AG	Code	R1	R2	R3	R4	Total	
Non-domestic	A	1		0	3	2	0	5	
		2		0	8	3	0	11	
	B	1		0	5	2	0	7	
		2		0	10	4	0	14	
		4	CG1	1	0	4	0	5	
			CG2	2	0	5	0	7	
		6	CG1	2	0	0	0	2	
			CG2	3	0	0	0	3	
	Total				8	26	20	0	54
	Domestic	A	4	CG1	0	0	9	35	44
RES				0	0	12	45	57	
6			CG1	0	0	12	32	44	
			CG2	0	0	9	18	27	
B		4	G06	20	0	5	19	44	
			G11	30	0	15	15	60	
			G12	15	0	0	35	50	
		6	CG1	20	0	0	45	65	
			DOA	30	0	20	49	99	
			G06	15	0	15	23	53	
Total				130	0	97	316	543	

								Allocation of R3's customers			
CCM	Pipeline	AG	Code	R1	R2	R4	Total				
Non-domestic	A	1		0	2	0	2				
		2		0	3	0	3				
	B	1		0	2	0	2				
		2		0	4	0	4				
		4	CG1	4	0	0	4				
			CG2	5	0	0	5				
		6	CG1	0	0	0	0				
			CG2	0	0	0	0				
	Total				9	11	0	20			
	Domestic	A	4	CG1	0	0	9	9			
RES				0	0	12	12				
6			CG1	0	0	12	12				
			CG2	0	0	9	9				
B		4	G06	3	0	2	5				
			G11	10	0	5	15				
			G12	0	0	0	0				
		6	CG1	0	0	0	0				
			DOA	8	0	12	20				
			G06	6	0	9	15				
Total				27	0	70	97				

Example, customer allocation

Status: ACTC									Allocation of R3's customers							
CCM	Pipeline	AG	Code	ICP count				Total	CCM	Pipeline	AG	Code	R1	R2	R4	Total
				R1	R2	R3	R4									
Non-domestic	A	1		0	3	2	0	5	Non-domestic	A	1		0	2	0	2
		2		0	8	3	0	11			2		0	3	0	3
	B	1		0	5	2	0	7	Non-domestic	B	1		0	2	0	2
		2		0	10	4	0	14			2		0	4	0	4
		4	CG1	1	0	4	0	5			4	CG1	4	0	0	4
			CG2	2	0	0	0	2				0				
		6	CG1	2	0	0	0	0			6	CG1	2	0	0	0
			CG2	3	0	0	0	0				CG2	3	0	0	0
	Total				8	26	2	0	0	20						
	Domestic	A	4	CG1	0	0	9	35	44	Domestic	A	4	CG1	0	0	9
RES				0	0	12	45	57	RES				0	0	12	12
6			CG1	0	0	12	32	44	6			CG1	0	0	12	12
			CG2	0	0	9	18	27				CG2	0	0	9	9
B		4	G06	20	0	5	19	44	Domestic	B	4	G06	3	0	2	5
			G11	30	0	15	15	60				G11	10	0	5	15
			G12	15	0	0	35	50				G12	0	0	0	0
		6	CG1	20	0	0	45	65			6	CG1	0	0	0	0
			DOA	30	0	20	49	99				DOA	8	0	12	20
			G06	15	0	15	23	53				G06	6	0	9	15
Total			130	0	97	316	543	Total			27	0	70	97		

AG1-3 customers are allocated based on average allocated gas quantity using the latest available 12 consumption months, based on the most accurate available allocation information.

Example, customer allocation

Status: ACTC				ICP count					
CCM	Pipeline	AG	Code	R1	R2	R3	R4	Total	
Non-domestic	A	1		0	3	2	0	5	
		2		0	8	3	0	11	
	B	1		0	5	2	0	7	
		2		0	10	4	0	14	
		4	CG1	1	0	4	0	5	
			CG2	2	0	5	0	7	
		6	CG1	2	0	0	0	2	
			CG2	3	0	0	0	3	
	Total				8	26	20	0	54
	Domestic	A	4	CG1	0	0	9	35	44
			RES	0	0	12	45	57	
6			CG1	0	0	12	32	44	
			CG2	0	0	9	18	27	
B		4	G06	20	0	5	19	44	
			G11	30	0	15	15	60	
			G12	15	0	0	35	50	
		6	CG1	20	0	0	45	65	
			DOA	30	0	20	49	99	
			G06	15	0	15	23	53	
Total				130	0	97	316	543	

				Allocation of R3's customers					
CCM	Pipeline	AG	Code	R1	R2	R4	Total		
Non-domestic	A	1		0	2	0	2		
		2		0	3	0	3		
	B	1		0	2	0	2		
		2		0	4	0	4		
		4	CG1	4	0	0	4		
			CG2	5	0	0	5		
		6	CG1	0	0	0	0		
			CG2	0	0	0	0		
	Total				20	0	70	97	
	Domestic	A	6	CG1	0	0	12	12	
			CG2	0	0	9	9		
4			G06	3	0	2	5		
			G11	10	0	5	15		
B		4	G12	0	0	0	0		
		6	CG1	0	0	0	0		
			DOA	8	0	12	20		
			G06	6	0	9	15		
		Total				27	0	70	97

$$\frac{R_3}{\sum R_n - R_3} \times R_1 = \frac{4}{5 - 4} \times 1$$

Example, customer allocation

Status: ACTC				ICP count				
CCM	Pipeline	AG	Code	R1	R2	R3	R4	Total
Non-domestic	A	1		0	3	2	0	5
		2		0	8	3	0	11
	B	1		0	5	2	0	7
		2		0	10	4	0	14
		4	CG1	1	0	4	0	5
			CG2	2	0	5	0	7
		6	CG1	2	0	0	0	2
			CG2	3	0	0	0	3
Total				8	26	20	0	54
Domestic	A	4	CG1	0	0	9	35	44
			RES	0	0	12	45	57
		6	CG1	0	0	12	32	44
			CG2	0	0	9	18	27
	B	4	G06	20	0	5	19	44
			G11	30	0	15	15	60
			G12	15	0	0	35	50
		6	CG1	20	0	0	45	65
			DOA	30	0	20	49	99
			G06	15	0	15	23	53
Total				130	0	97	316	543

				New ICP count			
CCM	Pipeline	AG	Code	R1	R2	R4	Total
Non-domestic	A	1		0	5	0	5
		2		0	11	0	11
	B	1		0	7	0	7
		2		0	14	0	14
		4	CG1	5	0	0	5
			CG2	7	0	0	7
		6	CG1	2	0	0	2
			CG2	3	0	0	3
Total				17	37	0	54
Domestic	A	4	CG1	0	0	44	44
			RES	0	0	57	57
		6	CG1	0	0	44	44
			CG2	0	0	27	27
	B	4	G06	23	0	21	44
			G11	40	0	20	60
			G12	15	0	35	50
		6	CG1	20	0	45	65
			DOA	38	0	61	99
			G06	21	0	32	53
Total				157	0	386	543

Example, customer allocation

Status: ACTC				ICP count				
CCM	Pipeline	AG	Code	R1	R2	R3	R4	Total
Non-domestic	A	1		0	3	2	0	5
		2		0	8	3	0	11
	B	1		0	5	2	0	7
		2		0	10	4	0	14
		4	CG1	1	0	4	0	5
			CG2	2	0	5	0	7
		6	CG1	2	0	0	0	2
			CG2	3	0	0	0	3
	Total			8	26	20	0	54
	Domestic	A	4	CG1	0	0	9	35
RES				0	0	12	45	57
6			CG1	0	0	12	32	44
			CG2	0	0	9	18	27
B		4	G06	20	0	5	19	44
			G11	30	0	15	15	60
			G12	15	0	0	35	50
		6	CG1	20	0	0	45	65
			DOA	30	0	20	49	99
			G06	15	0	15	23	53
Total			130	0	97	316	543	

				Change in ICP count		
CCM	Pipeline	AG	Code	R1	R2	R4
Non-domestic	A	1		0%	67%	0%
		2		0%	38%	0%
	B	1		0%	40%	0%
		2		0%	40%	0%
		4	CG1	400%	0%	0%
			CG2	250%	0%	0%
		6	CG1	0%	0%	0%
			CG2	0%	0%	0%
	Total			113%	42%	0%
	Domestic	A	4	CG1	0%	0%
RES				0%	0%	27%
6			CG1	0%	0%	38%
			CG2	0%	0%	50%
B		4	G06	15%	0%	11%
			G11	33%	0%	33%
			G12	0%	0%	0%
		6	CG1	0%	0%	0%
			DOA	27%	0%	24%
			G06	40%	0%	39%
Total			21%	0%	22%	

Effect of transfer on customers

Paragraph	Comments
9 Recipient retailers to supply gas and give notice to transferred customers	<ul style="list-style-type: none">• Option A: unchanged• Option B: The recipient retailer must supply gas on its standard or 'better' terms and conditions during the transition period.• Legal advice sought.
10 Right of customer to switch without penalty	Unchanged
11 Transitional issues relating to customers	"After the transfer time, any dispute that a former customer of the insolvent retailer has or had with the insolvent retailer must be dealt with between the customer and the insolvent retailer <u>or the liquidator</u> under the contract between the customer and the insolvent retailer."
12 Switched sought before transfer time	Unchanged

Information to be provided after transfer time, transmission capacity

Paragraph		Comments
13	Meter reading information to be provided by insolvent retailer	Unchanged
14	Consumption information to be provided by insolvent retailer	Unchanged
15	Transmission capacity of insolvent retailer	Unchanged

5 Wrap-up and next steps

- **Minutes will be emailed to IRWG members for comments**
- **Final minutes to be published on the website**
- **Circulate drafting instructions among IRWG members before publishing Statement of Proposal**
- **Statement of Proposal, including consultation on**
 - draft 'drafting instructions';
 - changes to the Switching Rules; and
 - new information exchange file format: GIEP4.

Thank you for your contribution