

# Process for managing retailer default situations

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Guideline  
Draft for discussion

9 April 2013

This document has been prepared for discussion with interested parties about the practical aspects of a proposed process for managing a retailer default situation. This document has been prepared as if the proposed arrangements have been adopted but does not reflect the current Code and should not be used or relied on in any way if there is a retailer default event.



## Version control

Version	Date amended	Comments
Discussion draft		

Draft

## Glossary of abbreviations and terms

<b>Act</b>	Electricity Industry Act 2010
<b>Authority</b>	Electricity Authority
<b>Code</b>	Electricity Industry Participation Code 2010
<b>Days</b>	Elapsed or calendar days. Not business days
<b>Minister</b>	Minister of Energy and Resources

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# **1 An effective process for managing a retailer default situation is important**

- 1.1 The electricity market comprises a series of financial transactions: generators sell electricity to the clearing manager; the clearing manager sells electricity to retailers; retailers sell electricity to consumers. Retailers also contract with electricity distribution businesses to transport electricity to consumers (or to allow use of a network in the case of a conveyance only agreement). The generators, clearing manager and distributors are exposed to some credit risk if a retailer does not meet financial commitments (a retailer default situation).
- 1.2 Electricity is a somewhat unique product because supply cannot easily be ceased if a party in the contractual chain (other than the consumer) fails to meet financial commitments. This means that the ongoing failure by a retailer to pay for electricity or distribution services can lead to increasing financial losses by generators and distributors. The remedies available under the Companies Act 1993 for managing the failure of a party to make payment are less effective in this situation, particularly because they do not provide a defined timeframe for resolving the situation.
- 1.3 Consequently, the Code specifies an electricity market specific process for managing a retailer default situation to:
  - (a) maintain the confidence of consumers that an event of retailer default will not interrupt their electricity supply
  - (b) facilitate, where feasible, a commercial solution to an event of retailer default
  - (c) maintain the confidence of industry participants that an event of retailer default will be resolved in a finite time, thereby limiting potential financial losses without requiring arbitrary or ad-hoc responses by individual participants.

## **2 Purpose of this guideline**

- 2.1 The Electricity Industry Participation Code 2010 (Code) establishes a process for managing a retailer default situation, which occurs when a retailer fails to pay an invoiced amount to the clearing manager, or cannot make wholesale market related payments to the clearing manager, or is in receivership or liquidation, or cannot meet financial commitments to distributors.
- 2.2 This guideline explains the process the Authority will follow should there be an event of default by an electricity retailer:
- (a) describes the events that constitute a default by a retailer under the Code
  - (b) describes how the retailer default process is initiated and the actions the Authority will take on becoming aware of an event of default
  - (c) describes the process that will be followed in the event of a retailer default and the role of the Authority and the market participants
  - (d) provides key contact details of staff at the Authority
  - (e) provides (in appendix A) a list of actions points per day for the process of managing a retailer default situation.

## **3**

## 4 Events that constitute a default by a retailer under the Code

4.1 An event of default occurs when a retailer does not fulfil specific financial obligations, or when a third party has taken control over some of the retailer's assets. The relevant section of the Code is Clause 14.55 which defines an event of default as any of the following:

- (a) *the failure of a payer to comply with clauses 14.2 to 14.17 or to satisfy a call in accordance with clause 14.18(4):*
- (b) *the failure of a payer to pay the full amount invoiced to it in accordance with clauses 14.36 to 14.54:*
- (c) *any action taken for, or with a view to, the declaration of a payer as a corporation at risk under the Corporations (Investigation and Management) Act 1989:*
- (d) *a statutory manager being appointed under the Corporations (Investigation and Management) Act 1989 (or a recommendation or submission is made by a person to the Securities Commission supporting such an appointment):*
- (e) *a person being appointed under section 19 of the Corporations (Investigation and Management) Act 1989 to investigate the affairs or run the business of the payer:*
- (f) *if a payer is (or admits that it is or is deemed under any applicable law to be) unable to pay its debts as they fall due or is otherwise insolvent, or stops or suspends, or threatens to stop or suspend, or a moratorium is declared on, payment of its indebtedness, or makes or commences negotiations or takes any other steps with a view to making any assignment or composition with, or for the benefit of, its creditors, or any other arrangement for the rescheduling of its indebtedness or otherwise with a view to avoiding, or in expectation of its inability to pay, its debts:*
- (g) *a holder of a security interest or other encumbrancer takes possession of, or a receiver, manager, receiver and manager, liquidator, provisional liquidator, trustee, statutory or official manager or inspector, administrator or similar officer is appointed in respect of the whole or any part of the assets of the payer or if the payer requests that such an appointment be made:*
- (h) *termination of a retailer's use-of-system agreement with a distributor because of any event that is defined as an "event of default" under the use-of-system agreement if—*
  - (i) *the retailer continues to have a customer or customers on the distributor's local network; and*
  - (ii) *there are no unresolved disputes between the retailer and the distributor in relation to the termination; and*
  - (iii) *the distributor has not been able to remedy the situation in a reasonable time."*

4.2 There are eight situations that constitute an event of default under clause 14.55 of the Code. Some of the events of default defined under the Code are similar, and these events are described together below to form five categories of default events.



**Failure to pay invoice or to comply with security levels**

- 4.3 The Code places obligations on a retailer to pay invoices from the clearing manager on the applicable dates, to maintain prudential cover including where applicable cash deposits held on trust, and to meet calls by the clearing manager for additional security. An event of default will occur under Clause 14.55 (a) or (b) if a retailer fails to meet one or more of these obligations.

**Actions taken under the Corporations Act**

- 4.4 Defaults that fall under clause 14.55 (c), (d) or (e) are defaults under the Corporations (Investigations and Management) Act 1989. Clause 14.55 (c) refers to a retailer being declared a “corporation at risk” by the Registrar of Companies. Clause 14.55 (d) refers to the appointment of a statutory manager to a retailer, or any submission or request to do so. Clause 14.55 (e) refers to the Registrar appointing a person to carry out an investigation into the affairs of a retailer, to potentially declare them a “corporation at risk”, or to place the retailer under statutory management.

**Insolvent retailer**

- 4.5 Clause 14.55 (f) is a catch-all clause for situations in which a retailer is unable to pay its debts when they are due, suspends payments, or takes measure in the expectation of a future inability to pay its debts.

**A third party takes control of the assets**

- 4.6 Default situations described in clause 14.55 (g) concern situations in which a third party takes possession or control of the assets of a retailer. These third parties can be receivers or liquidators under clause 14.55 (f), or statutory managers or inspectors under clause 14.55 (d) or (e).

**Unresolved failure to make payments due to distributors**

- 4.7 The fifth category of default events occurs when the following four conditions are satisfied:
- (a) the retailer is no longer entitled to trade on a distribution network
  - (b) no unresolved disputes remain between the retailer and the distributor
  - (c) the retailer has not taken timely steps to arrange a customer switch
  - (d) the distributor has been unable to remedy the situation.

## 5 How an event of default is initiated

- 5.1 A retailer in default should notify the Authority of the default event.
- 5.2 If the clearing manager becomes aware that a retailer has not complied with a requirement of Part 14 of the Code (such as meeting a payment or a call for additional security), the clearing manager must immediately advise the retailer and the Authority of the default event. The clearing manager must also advise the Authority if it has reasonable grounds to believe that an event of default is likely. The relevant sections of the Code are as follows:

*14.56 Anticipated events of default must be referred to Authority*

*If the clearing manager has reasonable grounds to believe that an event of default is likely to occur, the clearing manager must refer the matter to the Authority for its urgent consideration and instruction of an appropriate course of action to minimise the risk of default occurring.*

*14.57 Procedure upon event of default*

*(1) Upon an event of default occurring, the clearing manager must, without prejudice to its rights under clause 14.58, notify the person in default that it has committed an event of default. (2) Without prejudice to its rights under clause 14.58, the clearing manager must refer an issue concerning an event of default to the Authority.*

- 5.3 If a retailer is in default and may no longer trade on a distribution network, both the retailer and the distribution network are obliged to notify the Authority.

*14.56A Distributor and defaulting retailer must advise Authority of retailer event of default*

*If a retailer commits an event of default under clause 14.55(h), each of the following participants must immediately advise the Authority of the event of default:*

- (a) the defaulting retailer;*
- (b) the distributor who was a party to the terminated use-of-system agreement.*

- 5.4 Other market participants that become aware of an event of default must advise the Authority – Regulation 8 of the Electricity Industry (Enforcement) Regulations 2010 stipulates that an industry participant that believes, on reasonable grounds, that another industry participant has breached the Code must report the breach or possible breach to the Authority as soon as possible.
- 5.5 Any other person who becomes aware of a default may advise the Authority, as provided for in Regulation 9 of the Electricity Industry (Enforcement) Regulations 2010.
- 5.6 Table 1 shows for each category of default event, the entity likely to first become aware of the default and hence the entity that should notify the Authority.

**Table 1 Notifying the Authority of a default event**

Event of default	Code provision	Who might make the notification?
Failure to pay invoice or to	14.55 (a) or 14.55 (b)	Clearing manager

<b>Event of default</b>	<b>Code provision</b>	<b>Who might make the notification?</b>
comply with security levels		
Actions taken under the Corporations Act 1989	14.55 (c), 14.55 (d) or 14.55 (e)	Defaulting retailer with the permission of the registrar
Insolvent retailer	14.55 (f)	Defaulting retailer
Third party takes control of a retailer's assets	14.55 (g)	Defaulting retailer, with permission if necessary, or any other market participant that becomes aware of the situation
Retailer no longer entitled to trade on a distribution network	14.55 (h)	Distributor and/or defaulting retailer
There is reasonable belief that an event of default is likely to occur, or is occurring	14.56 and 14.57	Clearing manager

- 5.7 All notifications to the Authority of an event of default should be made to the [designated person]. Contact details for key Authority staff are listed below. If any person at the Authority receives a notification of an event of default, that person should immediately provide that notification to the [designated person].

## 6 The process of managing an event of default

6.1 The process for managing a retailer default situation involves four phases:

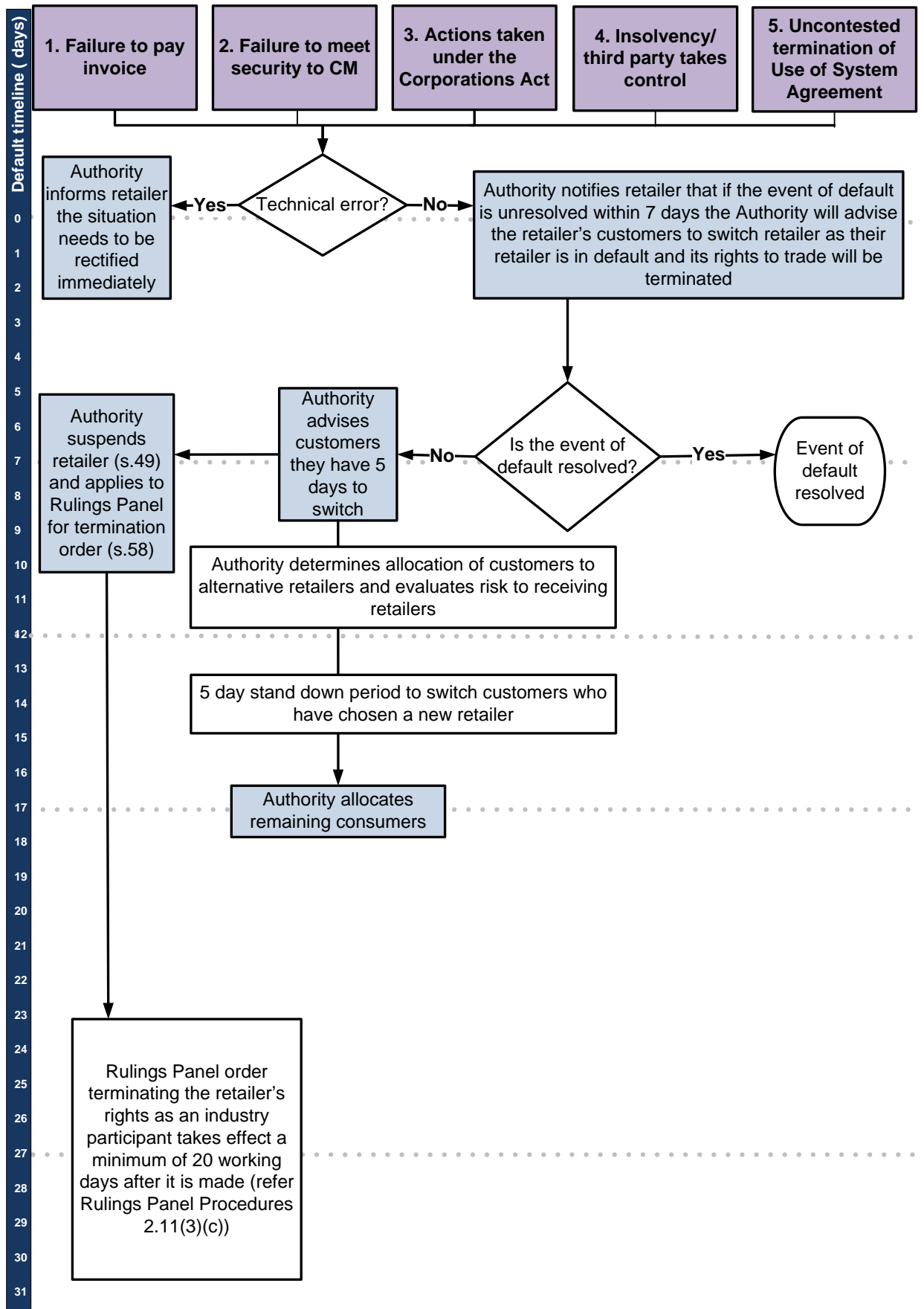
- (a) Phase 1. The defaulting retailer has a period of seven days to resolve the default by meeting its financial obligations or by transferring its customer base to a viable retailer
- (b) Phase 2. The defaulting retailer's customers will be notified by the Authority that they have five days to switch to another retailer. The Authority will suspend the retailer and apply to the Rulings Panel for a termination order under the Electricity Industry Act 2010
- (c) Phase 3. The Authority has five days to identify the customers that are recorded in the registry as remaining with the defaulting retailer and prepare to assign them to another retailer
- (d) Phase 4. The remaining customers of the defaulting retailer will be assigned to another retailer on day 18 of the process (the event date). The terms and conditions of the assigned contract will be those specified by the new retailer.

6.2 Under the Code, Phase 1 and the timeline for the subsequent phases, commences when the Authority gives notice to the retailer in default:

*If a retailer commits an event of default ("defaulting retailer"), the Authority must give notice to the defaulting retailer that—*

- (a) *the defaulting retailer must—*
  - (i) *remedy the event of default; or*
  - (ii) *assign its rights and obligations under every contract under which a customer of the retailer purchases electricity from the retailer to another retailer; and*
- (b) *if the defaulting retailer does not comply with the requirements set out in paragraph (a) within 7 days of the notice, clause 4 will apply.*

6.3 Figure 1 shows a flowchart of the process that will be followed by the Authority in managing a retailer default event. The left column of the chart marks the days provided for each phase in the process. The Code provides that these are elapsed days (and not working days).



### **Phase 1: Prompting a commercial solution – Day 0 to Day 7**

- 6.4 On receiving a notification of an event of default, the [designated person] will advise the Chief Executive that an event of default exists. The Chief Executive will consider whether the default event may have arisen from a technical error which should be rectified within 24 hours. The relevant section of the Code is

*11.15B Process for retailer events of default*

*“(1) This clause applies if the Authority is satisfied that a retailer has committed an event of default.*

*“(2) The Authority and each participant must comply with Schedule 11.4.*

*“(3) To avoid doubt, nothing in this clause, clause 11.15A, or Schedule 11.4 affects any right of a customer to switch to another retailer.”*

- 6.5 A default arising from a technical error refers to a temporary failure to provide security or to meet settlement which can be resolved quickly (generally on the same day that the default occurs) without impacting on other participants; such a default might be due to an administrative error or technology failure.

- 6.6 Unless the Chief Executive is convinced that the default arose from a technical error which should be rectified within 24 hours, the Chief Executive will:

- (a) advise the Board of the default event
- (b) advise the Rulings Panel of the default event and that the Authority may be seeking suspension and termination of a market participant
- (c) decide whether and when to advise market participants and media, including advising the identity of the entity in default
- (d) advise the Office of the Minister of Energy of the default event and the steps the Authority will take to maintain the confidence of consumers that the event of default will not interrupt their electricity supply
- (e) advise the Ministry of Business, Innovation and Employment that an event of default exists and that the Authority has alerted the Office of the Minister of Energy.

- 6.7 If the Chief Executive is not satisfied that the default event arises from a technical error that will be rectified within 24 hours, the [designated person] will immediately notify the retailer that it is in default and that it must immediately rectify the situation.

- 6.8 The communication from the [designated person] to the retailer in default will:

- (a) inform the defaulting retailer that if the retailer has not either resolved the default or transferred its customers to another retailer (not connected with the retailer in default) within seven days, the Authority will publically advise its customers that they should switch to a new retailer, will suspend the retailer’s rights to trade, and will apply to the Rulings Panel for a termination order
- (b) request from the retailer in default the information from its customer database needed to communicate with the customers in phase two
- (c) request that the retailer report at least daily to the [designated person] on its progress in resolving the default event and/or in transferring its customer base to another retailer.

- 6.9 On being advised of the event of default, the [designated operations person] will:
- (a) contact the registry and request its assistance in identifying the ICPs of each of the retailer's customers and contact details for that customer, if that information is not immediately provided by the retailer in default
  - (b) contact the distribution lines businesses over which the retailer trades, advising them of the default event, the ICPs of each customer, and request the distributor's assistance in establishing the contact details for each of the retailer's customers on that network
  - (c) start preparing the communication strategy to the customers of the defaulting retailer
  - (d) start compiling a database of customer contact details for each of the customers of the retailer in default.
- 6.10 The [designated operations person] will provide a daily report to the Chief Executive until the default event is resolved or all of the customers of the retailer in default have been switched to alternative retailers. The Chief Executive will determine how frequently updates are provided to the Board and external parties.
- 6.11 Within [three] days of being advised of the default event, the [designated operations person] will advise the Chief Executive on a strategy to communicate with the retailer's customers should the default not be resolved or the customers not be transferred to another retailer by day seven; this strategy will take into account the degree to which a complete database of customer contact details is likely to be established by day seven.

**Termination of retailer's rights to make bids and offers**

- 6.12 On day seven the Chief Executive will initiate the process of terminating the rights of the defaulting retailer to trade under the Code by:
- (a) recommending to the Board that it suspend the retailer's right to trade under section 49(3) of the Act, effective immediately. The effect of this suspension is that the retailer is no longer allowed to make bids and offers, but is still obliged to pay the invoices of the clearing manager for the electricity used by its customers
  - (b) applying to the Rulings Panel to terminate the rights of the retailer as an industry participant under 58(a) of the Act. The procedures of the Rulings Panel are prescribed under the Act, the Code and the Electricity Industry (Enforcement) Regulations 2010. This procedure is likely to take at least 40 days. The Rulings Panel can terminate the retailer's rights if it considers the failure by the retailer has "seriously prejudiced the operational or financial security of the wholesale market" (section 58(a) of the Act).

**Phase 2 – Customers urged to switch retailer – Day 8 to Day 12**

- 6.13 On day seven the [designated person] will determine if the event of default has been resolved or all of the retailer's customers have been transferred to another retailer. In arriving at this determination, the [designated person] will, as appropriate, seek updated information from the:
- (a) defaulting retailer
  - (b) clearing manager

- (c) registry
  - (d) distribution lines businesses
  - (e) any statutory manager, investigator or receiver appointed to the retailer
  - (f) any other person the [designated person] considers may have information relevant to determining whether the default continues or not all of the customers have transferred to another retailer.
- 6.14 If the [designated person] determines that an event of default remains and that not all of the customers have been transferred to another retailer, the [designated person] will advise the Chief Executive and the following Code provision will apply.
- The **Authority** must—
- (a) give notice to the defaulting **retailer** that the **Authority** considers that this clause applies; and
  - (b) advise each of the defaulting **retailer's customers** that—
    - (i) the **retailer** has committed an **event of default**; and
    - (ii) the **customer** should enter into a contract for the purchase of **electricity** with another **retailer** within 5 days; and
    - (iii) if the **customer** fails to enter into a contract with another **retailer**, the **Authority** may assign the defaulting **retailer's** rights and obligations under the **customer's** contract with the defaulting **retailer** to another **retailer** under clause 5.
- 6.15 On receiving the advice that the event of default remains and that not all of the customers of the retailer have been transferred to another retailer, the Chief Executive will advise the Board, the Office of the Minister of Energy, and the Ministry of Business, Innovation and Employment that the Authority will contact the remaining customers of the retailer and urge them to switch retailers.
- 6.16 The Chief Executive will determine the optimal communication strategy with the customers of the retailer in default. A combination of various means of communication may be optimal, including some mix of: letter, website, call centre for outgoing and incoming calls, SMS-messages and national or local mass media such as television, newspaper, or radio.
- 6.17 The Chief Executive will implement the communications strategy with the customers of the retailer in default on day eight. The information communicated to the customers of the retailer in default will:
- (a) explain that the customer's retailer is in default, the Authority has suspended its right to trade and applied to the Rulings Panel for a termination of its rights to trade
  - (b) urge the customer to switch to another retailer and provide practical information on how to switch retailers, including contact details for competing retailers
  - (c) explain that the customer has a period of five days to switch retailers
  - (d) explain that if the customer has not switched retailers within five days, their contract with the retailer in default will be assigned to another retailer selected by the Authority and that the terms and conditions of the assigned contract will be those of the new retailer and not those of the retailer in default.



### **Phase 3: prepare to transfer any remaining customers – day 12 to day 17**

- 6.18 Having advised the retailer’s customers to switch to another retailer, the [designated person] will prepare to assign the contracts of any customers who do not switch to another retailer. These preparations will include:
- (a) identifying the retailers that would be required to take on customers
  - (b) preparing to undertake the process for transferring customers (phase 4)
  - (c) requesting that the registry provide daily reports on the number of customers remaining with the retailer in default
  - (d) notifying retailers supplying customers over the same distribution networks as the retailer in default that they may be assigned customers by the Authority, if the customers of the retailer in default do not.

### **Phase 4: remaining customers are transferred – Day 18**

[Mechanism(s) for allocating customers to another retailer(s) will be discussed in a Code amendment consultation paper]

[The customer transfer process would be the switching process set out in schedule 11.3 of the Code.]

## **7 Role of market participants in the process of managing an event of default**

- 7.1 An active contribution is expected of market participants to manage an event of default by a retailer. This contribution consists of three actions. These actions are:
- (a) retailers are obliged to include specific provisions in their contracts with their customers
  - (b) market participants need to notify the Authority when they become aware of an event of retailer default
  - (c) retailers may have to take on the customers allocated to them should the retailer in default not allocate its customers or the customers switch of their own accord.

### **Retailers have to make changes to contracts with their customers**

- 7.2 The Code requires that specific terms and conditions are included in contracts between retailers and customers to provide the Authority with the means to manage an event of retailer default. These terms and conditions are described below and summarised in Table 3. The relevant clause is as follows:

**11.15A Retailer contracts with customers must permit assignment by Authority**

- “(1) Each **retailer** must at all times ensure that the terms of each contract under which a **customer** of the **retailer** purchases **electricity** from the **retailer** permit—
  - “(a) the **Authority** to assign the rights and obligations of the **retailer** under the contract to another **retailer** if the **retailer** commits an **event of default**, by giving notice in writing to the **customer**; and
  - “(b) the terms of the assigned contract to be amended on such an assignment to terms that conform with the standard terms that the recipient **retailer** would normally offer to the **customer**; and
  - “(c) the **retailer** to provide information about the **customer** to the **Authority** and for the **Authority** to provide the information to another **retailer** if required under Schedule 11.4.
- “(2) The terms specified in subclause (1) must—
  - “(a) be expressed to be for the benefit of the **Authority** for the purposes of the Contracts (Privity) Act 1982; and
  - “(b) not be able to be amended without the consent of the **Authority**.
- “(3) This clause applies to—
  - “(a) every **customer** contract entered into after this clause came into force from [insert date one month after commencement date]; and
  - “(b) every **customer** contract entered into before this clause came into force from [insert date 6 months after commencement].

[“(4) A **retailer** complies with this clause if the **retailer** includes in each **customer** contract a term that is in the form that is in Schedule 11.5.]

**Allow the retailer to provide information details to the Authority**

7.3 The contracts between retailers and consumers should enable a retailer to hand over the contact details of the customers to the Authority. The Authority needs this information to contact customers and inform them of the default event, to urge them to switch retailers, and to inform them in the event they are allocated to a new retailer. The retail contract also needs to stipulate that the Authority is permitted to pass this customer information to any retailer to which the customer is transferred by the Authority.

**Allow for assignment of the contract by the Authority**

7.4 Retail contracts need to stipulate that the Authority is able to assign the contract when the retailer is in default. The retailer to which the customer is allocated will in turn be obliged to enter into a contract with the customer under terms specified by the recipient retailer. The Code requires that the terms specified by the recipient retailer must “conform with the standard terms that the recipient retailer would normally offer to the customer”.

**Allow for a commercial sale of customers’ contracts between retailers**

7.5 Contracts between retailers and their customers should provide for the contract to be assigned by the retailer to another retailer. An assignment provision will provide for a retailer in distress to negotiate a transfer of its customer base to another retailer under agreed commercial terms, reducing the prospect of the Authority having to assign the contracts to another retailer.

**Table 2 Provisions in retailer’s contracts with consumers**

<b>Provisions in the contracts need to reflect certain requirements of the default process</b>
--

Information details	Allow for the retailer to give customer details to the Authority in a default situation, to the extent needed for the Authority to implement the transfer process.
Assignment by Authority	Allowing for the contract to be assigned by the Authority, in case of a default situation.
Allow for a commercial sale of customers' contracts between retailers	Allowing for retailers to agree commercial terms for the transfer of customer contracts among themselves.

### Retailers have to take on the customers allocated to them in case of a retailer default

- 7.6 On day 17, any customers remaining with the defaulting retailer will be allocated by the Authority to another retailer in the network area. The Code obliges retailers to specify terms for the customers allocated to them by the Authority:

The recipient **retailer** must advise the **customer** of the terms of the contract by advising the **customer** of the standard terms that the recipient **retailer** would normally offer to the **customer**.

- 7.7 The retailer will advise the customers transferred to it of their new terms and conditions within [7] days of being provided with the customer list by the Authority.

## 8 Key contact details

**Table 3 Key Authority Staff**

Title	Name	Ext	DDI	Mobile
Chief Executive				
Executive Assistant				
GM Operations Development				
GM Legal and Compliance				
GM Market Design				
GM Market Performance				
GM Corporate Services				



## Appendix A Day to day checklist for the process of managing a retailer default situation

**Table 4 Checklist of action points on the process of managing a retailer default situation**

When?	Who?	What?
Day 0	Chief Executive	<ul style="list-style-type: none"> <li>• Determines whether it concerns a technical error which should be rectified within 24 hours. If so, the retailer will be contacted and informed of the requirement. If not:</li> <li>• Advise the Board of the default event. Frequency of updates is up to the Chief Executive.</li> <li>• Advise the Office of the Minister of Energy of the default event and the steps the Authority will take.</li> <li>• Advise the Ministry of Business, Innovation and Employment of the existence of the default event.</li> <li>• Determine whether and when to advise market participants and the media of the default event.</li> </ul>
	[designated person]	<ul style="list-style-type: none"> <li>• Receives a notification of the default event.</li> <li>• Advise the Chief Executive of the existence of the default event.</li> <li>• If the Chief Executive determines that the situation is not a technical error: Notify defaulting retailer of the process and that customers will be switched if the event is not resolved in 7 days.</li> <li>• Request default specific customer information from defaulting retailer.</li> <li>• Request that defaulting retailer reports at least daily to [designated person] on the progress of the event of default.</li> <li>• Contact the Registry and request assistance in identifying ICPs of each of the customers of the defaulting retailer.</li> <li>• Contact distribution lines businesses over which the defaulting retailer trades, advising them of the default event.</li> <li>• Start preparing communication strategy to customers.</li> <li>• Start compiling a database of customers contact details.</li> </ul>
Day 1	[designated person]	<ul style="list-style-type: none"> <li>• Daily report to the Chief Executive.</li> <li>• Receive daily update from defaulting retailer.</li> </ul>
Day 2	[designated person]	<ul style="list-style-type: none"> <li>• Daily report to the Chief Executive.</li> <li>• Receive daily update from defaulting retailer.</li> </ul>

When?	Who?	What?
Day 3	[designated person]	<ul style="list-style-type: none"> <li>Daily report to the Chief Executive.</li> <li>Receive daily update from defaulting retailer.</li> <li>Advise the Chief Executive on a communication strategy to customers.</li> </ul>
Day 4	[designated person]	<ul style="list-style-type: none"> <li>Daily report to the Chief Executive.</li> <li>Receive daily update from defaulting retailer.</li> </ul>
Day 5	[designated person]	<ul style="list-style-type: none"> <li>Daily report to the Chief Executive.</li> <li>Receive daily update from defaulting retailer.</li> </ul>
Day 6	[designated person]	<ul style="list-style-type: none"> <li>Daily report to the Chief Executive.</li> <li>Receive daily update from defaulting retailer.</li> </ul>
Day 7	[designated person]	<ul style="list-style-type: none"> <li>Determine whether the event of default has been resolved, or whether all customers have been transferred to other retailers.</li> <li>Report to the Chief Executive</li> <li>Receive daily update from defaulting retailer.</li> <li>Starts the process of terminating the rights of the defaulting retailer by making an application to the Rulings panel for a termination order, and recommend that the Board suspend the retailer.</li> <li>Implement the communication strategy with customers of the defaulting retailer.</li> <li>Request from the Registry daily reports on the number of customers remaining with the defaulting retailer.</li> <li>Request that the [designated person] begin preparing for the allocation of customers to retailers.</li> </ul>
	Chief Executive	<ul style="list-style-type: none"> <li>Advises the Board that event of default remains.</li> <li>Advises the Minister of Energy that event of default remains.</li> <li>Advises the Ministry of Business, Innovation and Employment that event of default remains.</li> </ul>
Day 8	[designated person]	<ul style="list-style-type: none"> <li>Daily report to the Chief Executive.</li> <li>Receive daily update from the Registry on the number of customers remaining with the defaulting retailer.</li> </ul>
Day 9	[designated person]	<ul style="list-style-type: none"> <li>Daily report to the Chief Executive.</li> <li>Receive daily update from the Registry on the number of customers remaining with the defaulting retailer.</li> </ul>

When?	Who?	What?
Day 10	[designated person]	<ul style="list-style-type: none"> <li>• Daily report to the Chief Executive.</li> <li>• Receive daily update from the Registry on the number of customers remaining with the defaulting retailer.</li> </ul>
Day 11	[designated person]	<ul style="list-style-type: none"> <li>• Daily report to the Chief Executive.</li> <li>• Receive daily update from the Registry on the number of customers remaining with the defaulting retailer.</li> </ul>
Day 12	[designated person]	<ul style="list-style-type: none"> <li>• Daily report to the Chief Executive.</li> <li>• Receive daily update from the Registry on the number of customers remaining with the defaulting retailer.</li> </ul>
Day 13	[designated person]	<ul style="list-style-type: none"> <li>• Daily report to the Chief Executive.</li> <li>• Receive daily update from the Registry on the number of customers remaining with the defaulting retailer.</li> </ul>
Day 14	[designated person]	<ul style="list-style-type: none"> <li>• Daily report to the Chief Executive.</li> <li>• Receive daily update from the Registry on the number of customers remaining with the defaulting retailer.</li> </ul>
Day 15	[designated person]	<ul style="list-style-type: none"> <li>• Daily report to the Chief Executive.</li> <li>• Receive daily update from the Registry on the number of customers remaining with the defaulting retailer.</li> <li>• Complete an assessment of market shares of all retailers in the network area and determine the share of customers that will be allocated to each retailer.</li> <li>• Prepare to allocate the estimated number of customers to each retailer.</li> </ul>
Day 16	[designated person]	<ul style="list-style-type: none"> <li>• Daily report to the Chief Executive.</li> <li>• Receive daily update from the Registry on the number of customers remaining with the defaulting retailer.</li> <li>• Update assessment of market shares of all retailers in the network area and update the number of customers that will be allocated to each retailer.</li> <li>• Prepare to allocate the estimated number of customers to each retailer.</li> </ul>

When?	Who?	What?
Day 17	[designated person]	<ul style="list-style-type: none"> <li>• Daily report to the Chief Executive.</li> <li>• Receive daily update from the Registry on the number of customers remaining with the defaulting retailer.</li> <li>• Inform each retailer of the number of customers transferred to it and provides contact details of those customers.</li> <li>• Advise the customers that their contract has been assigned to a new retailer and that they will be contacted shortly by this retailer.</li> <li>• Final update assessment of market shares of all retailers in the network area and update the number of customers that will be allocated to each retailer.</li> <li>• Supply the Chief Executive with a list of recommended customers to be switched to each retailer.</li> </ul>
	Chief Executive	<ul style="list-style-type: none"> <li>• Approve the list of customers recommended by the [designated person] to be transferred, or modify the list.</li> <li>• Authorise the assignment provision to establish the contract between the customer and the retailer to which it has been allocated.</li> <li>• Inform [designated person] of the approved list of customer allocation to retailers.</li> </ul>
Day 18	Event resolved – remaining customers switched according to schedule 11.3 of the Code.	