



12 November 2018

Submissions  
Electricity Authority  
PO Box 10041  
**WELLINGTON 6143**

Dear Authority

**Switch process review**

Contact Energy welcomes the opportunity to respond to the Electricity Authority on the Review of metering and related registry processes consultation paper.

Please find Contact's views set out in the tables from page two.

Should you have any questions please don't hesitate to contact me.

Yours sincerely

A handwritten signature in black ink that reads "Abrahams".

Debby Abrahams  
**Commercial Manager**

## Switch Process Review

Question	Response
<i>General questions</i>	
<p>Q1. Which, if any, of the 22 issues raised in this paper do you consider should not be investigated further? Please give reasons.</p> <p>Q2. Are there any issues not raised in this paper that you consider should be investigated? Please identify these other issues and give reasons why they should be investigated.</p>	<p>None – all require attention or some form of change in our view (Code, registry functionality or guideline).</p> <p>No</p>
<b><i>Issue #1 - The actual switch event date is delayed or is not as agreed</i></b>	
<p>Q3. How material is this issue?</p> <p>Q4. Is this issue getting worse?</p> <p>Q5. Why do you think this issue is occurring?</p>	<p>Not considered a significant issue.</p> <p>The issue occurs often, however is small in overall volume</p> <p>Some Traders systems are built to delay switch losses in certain scenarios, however Contact is not aware of any Traders that have implemented such rules for financial gain. Contact considers most occurrences to be for problematic scenarios requiring manual attention prior to the switch completion being issued.</p> <p>Contact does note that some Traders have built their systems or switching processes to release future dated switch requests (switch gain – NT file) up to 9 business days from the NT release date which can lead to losing Traders being technically in breach of the Code as there is not enough time to process, validate and complete the switch. This should be remedied under any future Code changes to ensure Traders have sufficient time to process the switch request.</p>
<b><i>Issue #2 - Replacing/modifying metering installations on the trader ICP switch event date is difficult</i></b>	
<p>Q3. How material is this issue?</p> <p>Q4. Is this issue getting worse?</p>	<p>Not considered a significant issue.</p> <p>No</p>
<p>Q5. Why do you think this issue is occurring?</p>	<p>In rare cases metering may need to be upgraded/downgraded where a customer moves into a property, however Contact considers there are suitable workarounds in place to enable this to occur without changes to registry functionality. Contact is not aware of any cases where metering equipment needs to change due to agreements not existing with the current MEP. Contact considers that due to the small volume of such occurrences any metering equipment changes are managed and agreed amongst affected parties outside of the switching process to avoid unnecessary system change costs.</p>

**Issue #3 - Gaining traders face difficulties ensuring accurate switch event meter readings**

Q3. How material is this issue?

Considered Medium impact, mostly due to potential for re-work between Traders where estimates are still used and can lead to a negative experience for customers. Impact to wider market settlement function considered minor.

Q4. Is this issue getting worse?

The issue is ongoing, however will hopefully improve over time or alternatively if MEPs provide switch meter readings.

Q5. Why do you think this issue is occurring?

As illustrated in the issues paper, some Traders either do not have agreement with the MEP to obtain AMI readings or have not implemented functionality to use this in their billing and switching processes.

Contact would also like to note that another reason for estimates being used in the switching process (under 4.22 in the issues paper) is delays in receiving AMI readings from the MEP. I.e. In some cases (admittedly low volume) we will not receive an AMI reading within the required switching timeframe and will release the switch on an estimated reading.

**Issue #4 - A trader should not have to issue a switch completion notification for an ICP with only unmetered load**

Q3. How material is this issue?

Not considered a significant issue.

Q4. Is this issue getting worse?

No

Q5. Why do you think this issue is occurring?

Contact supports considering efficiency options around provision of a switch completion file for unmetered load ICPs. Contact has one minor concern that removing this step in the process (losing trader completing the switch) has the potential to replace one problem with another. I.e. The losing trader could be impacted by a processing error on the gaining trader's behalf. Consideration would also need to be given to the parameters of when a gaining trader could request an unmetered switch. If the losing trader does not have a say in agreeing a date the new process could potentially result in Traders contract and billing dates overlapping.

In summary, Contact considers that the benefits of resolving this efficiency issue are potentially outweighed by the negatives or there is the possibility the proposal will result in further unnecessary system enhancements to meet new requirements, therefore the status quo should remain. We would also presume that most traders systems are built to deal with unmetered switching automatically, or in the very least processing an unmetered ICP switch. This isn't labour intensive but maybe trying to fix something that isn't necessarily broken.

**Issue #5 - A gaining trader may face a delay receiving the first AMI meter reading for the ICP it has gained**

Q3. How material is this issue?	High impact
Q4. Is this issue getting worse?	Not necessarily getting worse, however high in volume
Q5. Why do you think this issue is occurring?	<p>Contact considers that overall most MEPs attempt to provide AMI meter readings or data within an acceptable timeframe. Contact is still experiencing a reasonably high number of cases where the MEP is failing to provide AMI meter readings (and HHR data) for ICP switches, especially when applying this from the switch event date (which can often be backdated). While this is largely commercially agreed and not contained within the Code, the reliance on AMI metering readings and HHR data is becoming more critical to enable better experiences and options for customers. While we understand that some MEPs are actively working towards improving such functions to enable more efficient and effective systems to provide AMI meter readings and HHR data, it would make sense to firm up the requirement for MEPs to provide this critical data within the Code itself. This wouldn't necessarily be a requirement to provide all Traders AMI meter readings or HHR data, it would essentially reinforce any commercial arrangements Traders and MEPs have to ensure Traders were delivered the commercially agreed data in a prescribed timeframe.</p>

**Issue #6 - AMI switch event meter readings are not necessarily midnight meter readings**

Q3. How material is this issue?	Potentially medium impact
Q4. Is this issue getting worse?	Not necessarily getting worse, however high in volume
Q5. Why do you think this issue is occurring?	<p>Contact agrees with the commentary or findings associated with issue 6 and have also encountered scenarios where certain batches of AMI devices have been programmed incorrectly (sometimes errors in relation to daylight saving) that result in switch event meter reading errors.</p> <p>Contact considers that such errors should be resolved at the source and emphasis should be placed on the MEPs data quality. While some Traders have implemented validations and processes to identify such anomalies, it is not efficient to handle the volumes we're encountering manually and is costly and complex to implement an automated solution.</p> <p>Despite the above comments, Contact considers the overall impact to market to be minimal on an individual basis, however could be relatively sizeable depending on the volume of both the total ICPs and kWh differences. It's possible that the differences in total are also minor as there will be overs and unders.</p>

**Issue #7 - Interpreting trader ICP switching as customer or embedded generator switching may be misleading**

Q3. How material is this issue?

Low impact

Q4. Is this issue getting worse?

Not necessarily getting worse, however considered low in the wider customer movement and switching view.

Q5. Why do you think this issue is occurring?

Contact can see what the EA is attempting to achieve, however recommend that if this is considered a critical input into their industry monitoring, we propose the requirements are met by reports to the EA, as opposed to introducing new registry interfaces or functionality. This would be preferable and a simpler solution while avoiding the potential for over engineering and creating unnecessary system change costs across all Traders.

**Issue #8 - There is no mechanism to identify the sale and transfer of customer or embedded generator accounts between traders**

Q3. How material is this issue?

Low impact

Q4. Is this issue getting worse?

Not necessarily getting worse, however considered low in the wider customer movement and switching view.

Q5. Why do you think this issue is occurring?

As per response to issue 7, if there is genuine purpose for the EA to receive such information to support market monitoring then this should be catered for via reporting, not registry functionality. The EA will also need to consider and identify clearly what the definitions are for each of the customer/ICP movements they are wishing to track.

**Issue #9 - It is unclear whether an acknowledgment of a switch request notification is required**

Q3. How material is this issue?

Low impact

Q4. Is this issue getting worse?

Not necessarily getting worse, however high in volume

Q5. Why do you think this issue is occurring?

Contact conceptually agrees that the primary or underlying purpose of switch acknowledgement file (AN file) is somewhat outdated and unnecessary. Contact can however, potentially still see a need for an intermediate file (especially if the MEP is introduced to the switching process), however it is noted this doesn't necessarily have to be the AN file. If the MEP is introduced into the switching process it might be cleaner and less costly to repurpose the AN file to enable problematic or exception scenarios to be identified where the MEP cannot provide a AMI reading (estimate or actual). This would then enable an alternative switching flow or process to continue in such occurrences.

As illustrated under issue 4, one further observation is that the industry needs to consider the possibility of contract date clashes or overlaps which the AN file does currently assist with.

	<p>Contact also considers that the statement related to when a losing trader must provide the AN file in the issues paper does not align with the current Code requirement.</p> <p>The Code currently states (Schedule 11.3, 3 &amp; 10 – Losing trader response to standard switch or switch move request) that the Losing Trader, no later than 3 business days after the receiving the NT must either acknowledge the switch (AN file) <u>or</u> provide the final information (Complete the switch - CS file). There is no current requirement to provide the AN file in all cases if the CS file is provided within the required timeframe.</p>
<p><b>Issue #10 - Different timeframes for different types of ICP switches add complexity to the ICP switching process</b></p>	
<p>Q3. How material is this issue?</p> <p>Q4. Is this issue getting worse?</p> <p>Q5. Why do you think this issue is occurring?</p>	<p>Medium to high impact</p> <p>Not necessarily getting worse, however high in volume</p> <p>Contact believes that the switching timeframes need to be simplified and aligned to remove complexity and variation within both the Code and Traders systems. We cannot see any reason as to why the industry would require different timeframes and thresholds for each switch type.</p>
<p><b>Issue #11 - Switch withdrawals can be delayed because of delayed information from third parties</b></p>	
<p>Q3. How material is this issue?</p> <p>Q4. Is this issue getting worse?</p>	<p>Medium impact</p> <p>Not necessarily getting worse, however reasonable in volume.</p> <p>Contact considers switch withdrawals (outside of retention based activity) should be a last resort approach, however the Code needs to be flexible enough to support this approach. It would be more efficient to let a switch take slightly longer and still proceed after problem resolution as opposed to withdrawing the switch and starting again.</p> <p>Contact notes that the paper advises that approximately 17% of switches are subsequently withdrawn. Does this statistic only relate to the scenarios listed under issue 11 of the paper or is retention activity included in these statistics?</p> <p>Contact would also like to note that the statement (4.71) in the issues paper doesn't align with the current Code requirement. The issues paper states that the Code requires that, if a switch is to be withdrawn, then it must be withdrawn <b><u>no more than two months after the switch has been completed</u></b>. The Code (Schedule 11.3 – 17 – Withdrawal of switch requests) states that a losing trader or gaining trader may request that a switch request be withdrawn at any time until the expiry of 2 months after the <b><u>event date</u></b>.</p>

	Contact considers the current Code requirement to be flawed as it's possible that a switch is completed and backdated with a switch event date 2 or more months from the date the switch is physically completed in the registry. This then technically means the switch is unable to be withdrawn at all, irrespective of whether errors are identified. Contact recommends the Code is changed to align with the statement in the issues paper (switch completion date, not switch event date) which would also align with what Traders are currently allowing.
<b>Issue #12 - Different timeframes for applying a meter reading to a non half-hour (NHH) ICP switch add complexity to the ICP switching process</b>	
Q3. How material is this issue?	Low impact
Q4. Is this issue getting worse?	No
Q5. Why do you think this issue is occurring?	Contact considers the intention of the Code is well understood by Traders and the Code simply needs to be updated to clearly articulate what the requirement is.
<b>Issue #13 - Sometimes switch event meter readings cannot be obtained despite best endeavours</b>	
Q3. How material is this issue?	Low impact
Q4. Is this issue getting worse?	No
Q5. Why do you think this issue is occurring?	Contact agrees with the problems identified under issue 13. Contact believes the Code should be amended to reflect reality and not penalise Traders or create technical breaches where there is few options to comply.
<b>Issue #14 - Preventing losing traders from updating an ICP identifier during a switch can mean the gaining trader is unaware the ICP is electrically disconnected</b>	
Q3. How material is this issue?	Low impact
Q4. Is this issue getting worse?	No
Q5. Why do you think this issue is occurring?	Contact agrees with the problems identified under issue 14 and would support Traders being able to update ICP events while a switch is in progress.
<b>Issue #15 - The Code is ambiguous as to whether a switch event meter reading is required for certain ICPs with a category 3—5 metering installation</b>	
Q3. How material is this issue?	Low impact
Q4. Is this issue getting worse?	No

<p>Q5. Why do you think this issue is occurring?</p>	<p>Contact agrees with the problems identified under issue 15. Contact also notes that the registry functionality also needs to be amended where genuine C&amp;I or ToU Cat 2 meters are forcing losing Traders to provide CS file. It is our view that this was an unintended consequence of a previous registry functional change and losing Traders are now required to provide CS files due to the switch request (NT file) validations forcing these particular types of metering setups through the mass market switching process. This has created an unnecessary additional switching process for losing Traders as the gaining Trader should be able to complete the switch in such cases.</p>
<p><b>Issue #16 - The replacement read process is inefficient</b></p>	
<p>Q3. How material is this issue?</p> <p>Q4. Is this issue getting worse?</p> <p>Q5. Why do you think this issue is occurring?</p>	<p>Medium impact</p> <p>No</p> <p>Contact agrees with the problems identified with issue 16. Contact believes that the entire switch reading renegotiation process requires reassessment. We also believe that introducing the MEP into the switching process to provide switch event readings will improve this particular problem area.</p>
<p><b>Issue #17 - Delays to a trader being assigned a new ICP may delay installing a metering installation at the ICP and electrically connecting the ICP</b></p>	
<p>Q3. How material is this issue?</p> <p>Q4. Is this issue getting worse?</p> <p>Q5. Why do you think this issue is occurring?</p>	<p>Low impact</p> <p>No</p> <p>Contact agrees with the problems identified with issue 17, however consider this to be a minor issue. Consideration should be given to the costs of changing registry functionality and participants systems against the potential benefits, which in our view wouldn't necessarily be significant.</p>
<p><b>Issue #18 - The process for switching ICPs between Distributors is inefficient</b></p>	
<p>Q3. How material is this issue?</p> <p>Q4. Is this issue getting worse?</p> <p>Q5. Why do you think this issue is occurring?</p>	<p>Medium to high impact</p> <p>Volumes of distributor switching or network change activity is increasing.</p> <p>Contact agrees with the problems identified under issue 18. Contact recommends that sensible Code and registry functionality changes are made to ensure this process is auditable and efficient, realising that industry activity involving embedded networks is increasing. The industry should look to introduce a regulated network switching process and support Code requirements to ensure all affected participants are involved and notified of any requests, changes or completions of network changes within set timeframes.</p>

<b>Issue #19 - The Code prohibits backdating price category codes</b>	
Q3. How material is this issue?	Medium impact
Q4. Is this issue getting worse?	Not necessarily getting worse, however medium in volume
Q5. Why do you think this issue is occurring?	<p>Contact agrees with the problems identified under issue 19. Contact also notes the issues paper only identifies one scenario for why a price category may need to be backdated (backdated ICP switching), however there are multiple other reasons as to why a price category may need to be backdated. This is a common occurrence in day to day operations. i.e. Customer end use changes that may impact the network price category if the Distributor differentiates between business and residential rates. For example there are sometimes delays moving builders temporary supplies to new connections which affects the price category. Meter configuration errors can occur which are often directly reflected in Distributors price categories.</p> <p>The key point is that the Code needs to be flexible enough to enable backdating of pricing changes where the outcome is in the best interests of the customer and ensures accuracy of registry events. In a large number of cases, Distributors agree that the pricing category should be backdated, however will not do so to avoid being technically in breach of the Code. We recommend that the Code should be amended to enable backdating of price categories where both the Distributor and Trader agree to the proposed change.</p>
<b>Issue #20 - The provision of initial metering data to a trader is not always timely</b>	
Q3. How material is this issue?	Medium impact
Q4. Is this issue getting worse?	Not necessarily getting worse, however medium in volume
Q5. Why do you think this issue is occurring?	<p>Contact understands the challenges behind the requirements and timeframes for MEPs providing data to the registry, however automated systems should be in place to avoid any issues. Adding MEPs to the switching request (NT file) process is potentially a good indicator, however MEPs can't act on this and any system enhancement may be redundant or result in additional system costs to deal with a potential switch withdrawal. Contact recommends the best option is for MEPs to use the Notification file as this is confirmation that the switch has occurred (or switch withdrawal).</p>
<b>Issue #21 - Meter reading file formats are not standardised</b>	
Q3. How material is this issue?	Medium impact
Q4. Is this issue getting worse?	Not necessarily getting worse, however high in volume

<p>Q5. Why do you think this issue is occurring?</p>	<p>Contact agrees with the problems identified under issue 21 and the industry should consider standardising the two primary interfaces between MEPs and Traders (HHR and daily read files).</p>
<p><b>Issue #22 - The gaining and losing MEPs cannot use the same MEP event date for an MEP switch</b></p>	
<p>Q3. How material is this issue?</p>	<p>Low impact</p>
<p>Q4. Is this issue getting worse?</p>	<p>Not necessarily getting worse, however medium in volume</p>
<p>Q5. Why do you think this issue is occurring?</p>	<p>Contact agrees with the problems identified under issue 22, however don't see any easy or practical solution. Enabling same date events (or time bases events for the same day) in the registry will create a much bigger development piece for both the registry service provider and all participants. Contact considers a practical approach should be introduced to ensure complexity and costs are minimised, given this is a relatively minor issue. This could be simply mitigated by a Code requirement stating that removal events should be the day prior to the event date, enabling the new meter to be installed on the actual event date.</p>