

2 November 2018

Submissions

Electricity Authority
PO Box 10041
Wellington 6143

by email: submissions@ea.govt.nz

Submission on issues paper- Switch process review

- Orion New Zealand Limited (Orion) welcomes the opportunity to comment on the Electricity Authority's (the Authority) issues paper (the paper) on the switch process review.
 - a. Our submission covers our response to your specific questions on selected issues.

Concluding remarks

- Thank you for the opportunity to make this submission. We do not consider that any part of this submission is confidential. If you have any questions please contact Dayle Parris (Regulatory Manager), DDI 03 363 9874, email dayle.parris@oriongroup.co.nz.

Yours sincerely



Dayle Parris
Regulatory Manager

Appendix A- Response to Questions

Question	Response
Q1. Which, if any, of the 22 issues raised in this paper do you consider should not be investigated further? Please give reasons.	We have only reviewed a selection of issues and therefore make no comment here.
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.	No further comment
<p>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</p> <p><i>Specifically- if an ICP is moved from the “New” status to the “Ready” status on the date the ICP is ready for electrical connection, the responsible trader cannot organise for a metering installation to be in place at the ICP on the day the ICP is ready for electrical connection. This can lead to delays in electrically connecting the customer or embedded generator at the ICP.</i></p>	
Q3. How material is this issue?	In our experience this issue is not material. We estimate that this situation would occur not more than 2 times per year.
Q4. Is this issue getting worse?	We don’t believe the issue is getting worse.
Q5. Why do you think this issue is occurring?	In our experience this issue occurs most often when retailers are slow to or fail to pick up ICPs notified to them as ready.

<p>Issue 18- the process for switching ICPs between distributors is inefficient (i.e. in case where network sold or embedded network created or decommissioned)</p> <p><i>Specifically- Number of embedded networks increasing. Micro grids may operate as embedded networks in future increasing distributor switching requests. The registry does not show a distributor switch is pending. One trader refusing to consent to the ICP being switched between distributors can stall the switch for all. No easily accessible audit trail. Reversing the pending switch is a manual process.</i></p>	
<p>Q3. How material is this issue?</p>	<p>This issue is not material at this time however as you suggest secondary network arrangements are increasing which may increase the materiality of this issue over time.</p>
<p>Q4. Is this issue getting worse?</p>	<p>No this issue is not getting worse at this time however we agree that visibility of a distributor switch pending on the registry would be beneficial.</p>
<p>Q5. Why do you think this issue is occurring?</p>	<p>Potentially the process is inefficient at present because it doesn't occur on a regular basis so business IP about the process needs to be refreshed each time the situation occurs.</p>
<p>Issue 19- the Code prohibits backdating price category codes</p> <p><i>Specifically- Distributors must populate price category codes and no later than three business days after the distribution charge for the ICP takes effect. A distributor that agrees to backdate a change to a price category code must use a manual process to refund the customer. Updating means a breach of the Code.</i></p>	

<p>Q3. How material is this issue?</p>	<p>In our last audit we were 97% compliant on a sample of 1,279. In all cases where we were non-compliant customer service was at the heart of the backdating decision. The issue is only material because it causes a breach of the Code.</p>
<p>Q4. Is this issue getting worse?</p>	<p>This issue can get worse as a result of technology changes or a downturn/upturn in the economy.</p>
<p>Q5. Why do you think this issue is occurring?</p>	<p>Examples of when this issue occurs include;</p> <ul style="list-style-type: none"> • A business customer’s consumption reduces gradually over a period of time and they vacate the premises without notice. Especially difficult to identify where pricing arrangements are predominately fixed. • Farming practices change- as in the case of conversion from pumped to gravity feed/run-of-river irrigation. <p>Both these situations can result in a change of pricing structure from moving below or above a pricing threshold and a backdating occurrence.</p> <p>Manual refunding of customers is in the customer’s best interest and is commonly conducted via a wash-up process between EDB and Retailer.</p>

