Electricity Authority
By email: submissions@ea.govt.nz

9 January 2019

Market Enhancement Omnibus

Mercury appreciates the opportunity to comment on the Authority's extensive review.

Our responses to the Authority's questions are set out in the Appendix and is limited to the switch process review. Where we have not made express comment, we agree with the Authority's proposed changes.

Yours sincerely

Andrew Robertson
Regulatory and Compliance Strategist

Appendix A Format for submissions: Switch process review issues paper

Submitter	Mercury

Please answer the general questions once (Q1 and Q2).

For each individual issue you will be responding to (1 to 22), please answer questions Q3 to Q5. The template below has been started with the first two issues.

Question	Response
General questions	
Q1. Which, if any, of the 22 issues raised in this paper do you consider should not be investigated further? Please give reasons.	*N/A*
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.	*N/A*
ISSUE #1 The Actual switch event date is delayed or is not as agreed	
Q3. How material is this issue?	This can be material if there is no communication between retailers.
Q4. Is this issue getting worse?	This shouldn't become an issue as long as communication between retailers continues to the same level.

Question	Response
Q5. Why do you think this issue is occurring?	4.2 Not applicable to MEEN but we would consider what other retailers suggest. At the moment MEEN are happy with current switching process as communication between retailers will resolve any event dates that will be delayed until agreed by both gaining/losing retailers. 4.6 Currently we communicate between retailers if we have gained a site where a new meter has been installed prior to our gain and we update the metering going forward. But as an internal process we will always NWMI and want to gain on the correct CS file so that the customer is billed on the correct metering going forward. 4.7 When we cannot provision certain ICP's we intend to NW and give back to losing retailer, these always get rejected on NTMI yet it was unknown to the gaining retailer that we are unable to gain the site on comms issues etc. We suggest when pre NT, if the registry was able to provide somewhere that certain meters or comms issues are on certain ICP's then NT may not need to be sent? Maybe also a new NW code needs to be added for these particular instances.
ISSUE #2 Replacing/Modifying metering installations on the trader ICP Switch event date is difficult	
Q3. How material is this issue?	This is an ongoing issue but Mercury considers the primary impact is on the MEPs but does create an operational inefficiency for traders. It adds extra steps to a manual process with associated resourcing requirements.
Q4. Is this issue getting worse?	Not sure if this issue is getting worse but it is an existing issue.
Q5. Why do you think this issue is occurring?	Reason is identified in Issue 2: 4.11

Question	Response
ISSUE #3 Gaining Traders face difficulties ensuring accurate Swtich event meter readings	
Q3. How material is this issue?	Very Material
Q4. Is this issue getting worse?	At the same levels (so not getting worse but remains an issue)

Question	Response
Q5. Why do you think this issue is occurring?	Q5. Why do you think this issue is occurring? *4.23 -* MEP's do not provide reads at the time of the switch, it is the losing retailers who are required to provide it. We all have different arrangements half hourly etc. The MEP should be taking responsibility for switch readings which means they would be the one source of truth rather than 2 different parties trying to agree. Would be more accurate for the retailer to put TR date then MEP to populate the read. *4.24* Day event rather than time. This is a significant issue. If we switch out at 10am then we are provided a midnight reading the differential problem is obvious. As indicated primarily with HHR or smart meters is where the time slice can cause a problem. Should be up to the retailer or a threshold set as to what is accepted as sometimes there is no point amending the read. If all retailers rebilled it for 1 or 2 units it could be seen as an adverse customer experience with no real material benefit for either party. 4.25 It needs to be both ways. The losing retailer should also be able to trigger read notifications. It takes a lot of time to resolve these issues. A possible solution is to introduce a disputes threshold (so number of units). Also a 5 day rule to accept/reject the dispute 4 month rule should be removed or extend (to say 10 months) This has always has been an issue and see our response to issue 16 for further details.

Question	Response
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?	Mercury does not see this as a significant issue
Q4. Is this issue getting worse?	No
Q5. Why do you think this issue is occurring?	As long as the unmetered load is available on the registry MEEN are able to set up at our end.
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?	Yes, this is an issue because of the constant switching
Q4. Is this issue getting worse?	Mercury is not sure if the issue is getting worse but it is a re-occurring issue we have always had to deal with
Q5. Why do you think this issue is occurring?	Because the MEP is only noted for the switch after an ICP has switched to another retailer and so the trader switches out on estimated reads. The trader then only receives the AMI reads within a week or more of the site switching to another retailer. However this is dependant upon the agreement with the MEP. See our response to issue 16.
ISSUE #6 AMI Switch event meter readings are not necessarily midnight meter readings	

Question	Response
Q3. How material is this issue? Q4. Is this issue getting worse? Q5. Why do you think this issue is occurring?	This is a present issue as some AMI reads are not at midnight The CS is not sent at midnight. Yes. it is as it also creates RR for 1-2 kw AMI data versus manual data & also depending on MEP contractual agreements. More traders are on HHR and some incumbents are still on NHH which is why the issue is growing.
ISSUE #9 it is unclear whether an acknowledgement of a switch request notification is required	
Q3. How material is this issue? Q4. Is this issue getting worse? Q5. Why do you think this issue is occurring?	Not Material Mercury does not believe it is as all retailers have access for reporting on these notifications. It should be assumed that the retailer is aware of the request. A breach in this area shows that the retailer needs better process in place to ensure they respond on time. Not sure if acknowledgment of a switch request notification is required This adds an inefficiency as Mercury believes this is unnecessary In addition, the AKN notice file does not provide any value We would like this process to be reviewed. This is currently on breach reports for audits etc but what is the material effect of it not being required.
ISSUE #10 Different timeframes for different types of ICP switches add complexity to the ICP Switching process	

Question	Response
Q3. How material is this issue? Q4. Is this issue getting worse? Q5. Why do you think this issue is occurring?	Material. No view Mercury would suggest having a 3 day window between switch events. Ie: NT to AN, AN to CS, NW to AW. Another suggestion would be to allow each retailer an extension by applying for another 3 day window on the same code, follow by an 'X'. (NTX, NWX). This would show that the retailer has received the request, and needs more time.
ISSUE #11 Switch withdrawals can be delayed because of delayed information from third parties	
Q3. How material is this issue? Q4. Is this issue getting worse? Q5. Why do you think this issue is occurring?	This is a material issue as it clogs up emails (as this is the mechanism for receiving notifications) This is very common with TOU sites. Mercury would suggest either giving NWs a 6 day breach period, or implementing the 'extension' system Mercury suggested above. Yes More retailers in the market and not enough codes relevant in the registry. Mercury suggests more codes would reduce the need for email traffic and one again provide a single source of information (the registry)

Question	Response
ISSUE #12 ***Different timeframes for applying a meter reading to a non half hour ICP switche add complexity to the ICP Switching process***	
Q3. How material is this issue?	Non Issue
Q4. Is this issue getting worse?	Non Issue
Q5. Why do you think this issue is occurring?	Non Issue
ISSUE #13 Sometimes switch event readings cannot be obtained despite best endeavours	
Q3. How material is this issue?	Non Issue
Q4. Is this issue getting worse?	Non Issue
Q5. Why do you think this issue is occurring?	Non Issue
ISSUE #14 Preventing losing traders from updating an ICP identifier during switch can mean the gaining trader is unaware the ICP is electrically disconnected.	

Question	Response
Q3. How material is this issue?	Ongoing issue but has not much impact on customers with AMI meters. Impact will be for non-smart sites. The losing retailer is unable to update the ICP status during a switch, which can lead to noncompliance. As the gaining retailer will be unaware of the connection status the customer might have a negative experience.
Q4. Is this issue getting worse?	Yes as retailers are getting more and more proactive at disconnecting for vacancy especially with increasing remote disconnection capability. During sign up, customers inform the trader that the site is disconnected. The AN sent for each NT receipt reflects the status of the ICP and gaining trader can also act on the AN status received. The issue is also for legacy meters since disconnection can happen after requesting for the site.
Q5. Why do you think this issue is occurring?	Even with tight time frames for job completion returns from MEPs & Contractors and retailers updating their systems it will never be as fast as a customer calling and initiating a switch. The reason for the issue is losing retailers cannot update the status once that switch is initiated. The reason these are occuring is well explained in Issue 14 point 4.82 Retailers should be updating the registry as soon as a disconnection has occurred. If a site has been disconnected, but not updated, then the losing retailer should make sure that the gaining retailer is aware of this.
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**	

Question	Response
Q3. How material is this issue? Q4. Is this issue getting worse? Q5. Why do you think this issue is occurring?	It is an issue but not material. More an inefficiency. Since CAT3-5 sites will generally be TOU, Mercury suggests the need for a 'switch read' is unnecessary. Mercury occasionally have to do this when a TOU site switch-out, but the work around is to put '0' as an actual read whenever this comes up.
ISSUE #16 The replacement read process is inefficient	

Question	Response
Q3. How material is this issue?	Very material as there are a lot of different scenarios in the RR process
Q4. Is this issue getting worse?	Getting worse and is very inefficient
Q5. Why do you think this issue is occurring?	4.95 (a)As only gaining retailer can send RR, MEEN would like to propose the losing retailer to initiate RR also (b) MEEN would also like to propose opening the current 4 month allowance to 10 months of the switch even date ie. If a mutual customer and trader agree to the RR. Because of the current rules we have to reject this. (c) Not so much an issue for NTTR as mutual customers will need to pay the catch up bill regardless. Mercury is comfortable with the 200kWh for each channel (d) Mercury are currently doing this at the moment, however for the non AMI reads which are fine, but with the non AMI reads we suggest a change on when the trader receives RR's (within 5 days) where the difference is very minimal ie. Less than 5 units, Mercury suggests this is changed to 10-20 units or above Shortcomings – (1) Not having actual reads in general can be an issue (2) Suggest changing this to 10 months (3) A definite issue. Mercury suggests a threshold of 10-20 units (4) Mercury suggests th losing retailer to also initiate or send RR (5) Mercury would need to consider as there is no process in place. 5 business days is too short and Mercury proposes 10 days for MEP to provide a trader with actual read or 50% to be done in 5 days (if possible) otherwise to be done in 10 days. For HHR, sites these will be set up by the MEP as NHH (as we gain on that basis, even though it is an HHR site). It therefore

Question	Response
ISSUE #	
Q3. How material is this issue? Q4. Is this issue getting worse? Q5. Why do you think this issue is occurring?	