

Submissions
Electricity Authority
By email
SwitchProcessReview.submissions@ea.govt.nz

17 December 2019

Dear Electricity Authority

Issues and Options Paper – Switch Process Review

Thank you for the opportunity to provide a submission on the Switch Process Review.

Please find attached as an Appendix to this letter our responses to the questions raised in the Issues and Options Paper.

If you have any questions of a technical nature or require clarification in relation to any of our responses, please contact Urvashi Vats on 0210486115 or urvashi.vats@mercury.co.nz.

Yours sincerely



Jo Christie
Regulatory Strategist

Appendix – Mercury Submission

Question	Comment
Q1. Which, if any, of the 29 issues raised in this paper do you consider should not be investigated further? Please give reasons.	Please see our feedback in relation to issues 1-19 below. Where relevant, we have indicated if Mercury considers an issue should not be investigated further.
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.	Mercury is satisfied that the main issues have been addressed.
Q3. Do you consider the ICP switching processes set out in the Code, together with the amendments discussed in this paper, are likely to remain fit for purpose over the next 10 years? Please give reasons.	Mercury considers that the proposed amendments to the ICP switching processes set out in the Code are fit for current purposes and will resolve existing inefficiencies. We would be unwilling to speculate on whether these amendments will remain fit for purpose over the next 10 years given the rapidly changing and developing nature of the electricity retail market.
Q4. Should any alternative ICP switching processes be considered in the longer term? Please give reasons and outline an alternative.	We have no comment in relation to alternative ICP switching processes.
Q5. Should the registry be modified to enable event maintenance to be conveyed via an API? Please give reasons.	Mercury would support registry modification to enable event maintenance to be conveyed via an API. We are unable to provide further comment without more information on the proposed API.
Issue #1	The actual ICP switch event date is delayed or is not as agreed
Q6. Do you agree with the description of the issue? Please give reasons.	Mercury disagrees and would prefer to maintain the status quo. Insufficient evidence has been presented to show that the current process is operationally inefficient or that it negatively affects competition and innovation.
Q7. How material is this issue?	We refer you to our previous submissions ¹ and reiterate that we do not consider this to be a material issue provided that the parties communicate effectively.
Q9. Are there any advantages or disadvantages that are not included for each option?	<p>Option 1</p> <p>Mercury does not agree to allowing the gaining retailer to determine switch completion. The proposed new process entails additional complexity and back calculation which will impact the current work process and the customer.</p> <p>This is particularly problematic for Mercury's GLOBUG prepay product. Where a customer has credit, Mercury will</p>

¹ Mercury Consultation 1 Submission dated 9 January 2019 at questions 4 and 5.



	<p>be required to issue refunds. This extra administrative burden would ultimately not benefit the customer.</p> <p>Option 2</p> <p>Mercury does not agree with the proposed Code amendment. This option blindsides the losing retailer as to when a customer's account can be finalised. A work around could be established for post-paid customers by amending the billing period however this would be a very complex process for pre-paid customers.</p>
Issue #2	Replacing/modifying metering installations on the trader ICP switch event date is difficult
Q6. Do you agree with the description of the issue? Please give reasons.	Mercury agrees with the description of the issue.
Q8. Where there are multiple options, rank your preference for the options starting at 1 for preferred.	Mercury prefers option 1(b) and option 3(c)
Q9. Are there any advantages or disadvantages that are not included for each option?	<p>Option 1</p> <p>Mercury disagrees with option 1(a) - we do not want the gaining trader to decide on the transfer date. We agree with option 1(b) where the MEP would provide Mercury with the readings.</p> <p>Option 2</p> <p>Mercury does not agree with this option. It entails significant system and process changes for traders and their back-office systems.</p> <p>Option 3</p> <p>Mercury agrees with option 3(c) because we always provide an AN response. Options (a) and (b) would require unwelcome system changes.</p> <p>If the EA proposes changes that require system changes, we would like to see evidence that the benefits outweighs the costs.</p>
Q11. Can you give an indication of cost and benefit?	We are uncertain whether the benefits justify the costs of the system changes that would be required to implement option 3(c) and we would welcome evidence any concrete evidence in this regard.
Issue #3	Gaining traders face difficulties ensuring accurate switch event meter readings for category 1, 2 and 9 metering



	installations
Q6. Do you agree with the description of the issue? Please give reasons.	Mercury agrees with the description of the issue.
Q8. Where there are multiple options, rank your preference for the options starting at 1 for preferred.	Mercury prefers option 1. The MEP should provide the actual read to both the losing and the gaining retailer. The MEP is the holder of the information and this would streamline the process.
Issue #4	A gaining trader may face a delay receiving the first AMI meter reading for the ICP it has gained
Q6. Do you agree with the description of the issue? Please give reasons.	Mercury agrees with the description of the issue.
Q8. Where there are multiple options, rank your preference for the options starting at 1 for preferred.	Mercury supports option 1.
Issue #5	AMI switch event meter readings are not necessarily midnight meter readings.
Q6. Do you agree with the description of the issue? Please give reasons.	Mercury agrees with the description of the issue.
Q8. Where there are multiple options, rank your preference for the options starting at 1 for preferred.	Mercury prefers option 4. As with issue number 3 above, this problem would be resolved if the MEP provides the reading to both losing and gaining traders.
Issue #6	Interpreting trader ICP switching as consumer or embedded generator switching may be misleading.
Q6. Do you agree with the description of the issue? Please give reasons.	Mercury does not agree with the description of the issue. We believe that this issue requires further discussion before any changes are implemented. The current move and switch process should already provide what the EA is looking for.
Issue #7	There is no mechanism to identify the sale and transfer of mass customer or embedded generator accounts between traders.
Q6. Do you agree with the description of the issue? Please give reasons.	Mercury agrees with the description of the issue.



Q8. Where there are multiple options, rank your preference for the options starting at 1 for preferred.	Mercury prefers option 2. As this is a rare occurrence, it is easier for Mercury to provide a monthly report in a standardised format.
Issue #8	The rules for acknowledging trader ICP switch request notifications are not meeting their intended purpose.
Q6. Do you agree with the description of the issue? Please give reasons.	Mercury does not agree with the description of the issue. The current process works well from both a Mercury and a GLOBUG perspective. Adding more codes will add to the complexity of the process.
Issue #9	Different timeframes for different types of ICP switches add complexity to the trader ICP switching process
Q6. Do you agree with the description of the issue? Please give reasons.	Mercury agrees with the description of the issue.
Q8. Where there are multiple options, rank your preference for the options starting at 1 for preferred.	Mercury supports option 1.
Issue #10	The trader ICP switch withdrawal process has a number of operational inefficiencies.
Q6. Do you agree with the description of the issue? Please give reasons.	Mercury agrees with the description of the issue.
Q8. Where there are multiple options, rank your preference for the options starting at 1 or preferred.	Mercury would support options 1, 2, 3 or 4. In relation to option 1, Mercury would support this Code change if it were reviewed with respect to certain withdrawal codes e.g. NWWP/NWUA.
Issue #11	Different timeframes for applying a meter reading to a NHH ICP switch add complexity to the trader ICP switching process.
Q6. Do you agree with the description of the issue? Please give reasons.	Mercury does not agree that this is a material issue. This problem will be resolved if MEP provides one read to both losing and gaining retailer.
Issue #12	Sometimes switch event meter readings cannot be obtained despite best endeavours.
Q6. Do you agree with the description of the issue? Please give reasons.	Mercury agrees with the description of the issue.
Q8. Where there are multiple options, rank your preference for the options starting at 1 for preferred.	Mercury would support either of the proposed options 1 or 2. We note that this issue would be resolved if the MEP takes ownership of providing the read.



Issue #13	Registry functionality prevents losing traders from updating an ICP identifier during a switch.
Q6. Do you agree with the description of the issue? Please give reasons.	Mercury agrees with the description of the issue.
Q8. Where there are multiple options, rank your preference for the options starting at 1 for preferred.	Mercury supports option 1 as this enables the losing trader to also manage any changes in addition to the gaining trader having this capability.
Issue #14	The Code is ambiguous as to whether a switch event meter reading is required for certain ICPs with a category 3-5 metering installation
Q6. Do you agree with the description of the issue? Please give reasons.	Mercury agrees with the description of the issue.
Q8. Where there are multiple options, rank your preference for the options starting at 1 for preferred.	<p>We propose an alternative process as follows:</p> <p style="padding-left: 40px;">Where C&I TOU flag = 'Y' OR (Where Metering Category is >2 AND AMI Comm = 'Y') THEN No meter reading required.</p> <p>This approach will remove the need to submit switch reads for TOU ICPs, or high capacity, half-hourly sites.</p>
Issue #15	The replacement read process is inefficient.
Q6. Do you agree with the description of the issue? Please give reasons.	<p>Mercury agrees with the issue identified.</p> <p>We note however that this issue will be resolved if MEP provides a single read to both the losing and gaining traders.</p>
Q8. Where there are multiple options, rank your preference for the options starting at 1 for preferred.	Mercury would support any of the options the EA has set out.
Q10. Are there any foreseen implementation issues?	We would like to see further clarification on how this particular change would be implemented.
Issue #16	Delays updating the registry with the nominated trader at a new ICP may delay meter installation/electrical connection.
Q6. Do you agree with the description of the issue? Please give reasons.	Mercury agrees with the description of the issue.



Q8. Where there are multiple options, rank your preference for the options starting at 1 for preferred.	Mercury supports option 1.
Issue #17	A gaining trader puts obligations on the current trader by electrically connecting an ICP before the trader ICP switch completes
Q6. Do you agree with the description of the issue? Please give reasons.	Mercury agrees with the description of the issue.
Q8. Where there are multiple options, rank your preference for the options starting at 1 for preferred.	Mercury supports option 1.
Issue #18	A switch withdrawal can cause two trader ICP switches to be withdrawn
Q6. Do you agree with the description of the issue? Please give reasons.	Mercury does not agree with the issue described. We would like further clarification please.
Issue #19	Average daily consumption is not being consistently calculated or is calculated using a different criterion.
Q6. Do you agree with the description of the issue? Please give reasons.	Mercury agrees with the issue identified.
Q8. Where there are multiple options, rank your preference for the options starting at 1 for preferred.	<p>We prefer option 2 as it defines a reasonable period.</p> <p>We should only be required to provide average daily consumption data for the transfer switches and not the move switches. The data for a transfer customer has more relevance as it continues with the same customer and gives a picture of their usage behaviour.</p>

