

Electricity Industry Participation Code 2010

Part 12A

Distribution~~or use-of-system~~ agreements and ~~distributor tariffs~~arrangements

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Schedule 12A.1

Default distributor agreement template

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12A.1 Contents of this Part

This Part—

- (a) requires each specified **distributor** to have a **default distributor agreement** based on the **default distributor agreement template** in Schedule 12A.1; and
- (b) specifies requirements with which each **distributor** and **trader** must comply when entering into a **distribution agreement**; and
- (c) specifies requirements that apply in respect of each specified **embedded network distributor**; and
- (d) specifies requirements relating to the exchange and provision of information, including requirements relating to **EIEPs**.

~~12A.1 Contents of this Part~~

~~This Part—~~

- ~~(a) specifies requirements that must be complied with in negotiating **use-of-system agreements**; and~~
- ~~(b) specifies requirements that must be complied with if prudential requirements are included in **use-of-system agreements**; and~~
- ~~(c) [Revoked]~~
- ~~(d) requires that **distributors** who do not send accounts to **consumers** directly consult with **traders** about changes to the **distributor's** tariff structure; and~~
- ~~(e) [Revoked]~~
- ~~(f) [Revoked]~~
- ~~(g) provides that the **Authority** may **publicise EIEPs** that **distributors** and **traders** must comply with when exchanging information.~~

Subpart 1

Distribution agreements in respect of local networks

Default distributor agreement template and default distributor agreements

12A.2 Application of this subpart

This subpart applies to—

- (a) each **distributor** that—
 - (i) conveys **electricity** to 1 or more **consumers** on the **distributor's local network**; and
 - (ii) does not have a contract in respect of the conveyance of **electricity** with 1 or more of those **consumers**; and
- (b) each **trader** that—
 - (i) is a **retailer**; and
 - (ii) wishes to trade or is trading at an **ICP** on the **network** of a **distributor** described in paragraph (a).

12A.3 Principles for operational terms in default distributor agreements

- (1) This clause sets out principles that must be applied by—
 - (a) each **distributor** when it sets **operational terms** in its **default distributor agreement**; and
 - (b) the **Rulings Panel** when it reviews 1 or more **operational terms** under clause 12A.5(3).
- (2) The principles are that a **distributor's operational terms** must—
 - (a) be consistent with the **Authority's** objective set out in section 15 of the **Act**; and
 - (b) reflect a fair and reasonable balance between the legitimate interests of the **distributor** and the requirements of **traders** trading on the **distributor's network**; and
 - (c) reflect the interests of **consumers** on the **distributor's network**; and
 - (d) reflect the reasonable requirements of **traders** trading on the **distributor's network** and the ability of the **distributor** to meet those requirements.

12A.4 Default distributor agreements

- (1) Each **distributor** must have a **default distributor agreement** that—
 - (a) includes—
 - (i) each **default core term** set out in the **default distributor agreement template**; and
 - (ii) **operational terms** that meet each of the requirements set out in the **default distributor agreement template** for **operational terms** that are italicised and in text boxes in the **default distributor agreement template**; and
 - (b) does not include any other terms.
- (2) A **distributor** must not include an **operational term** in its **default distributor agreement** that is inconsistent with, or modifies the effect of, any **default core term**.
- (3) In setting the **operational terms** in its **default distributor agreement**, a **distributor** must apply the principles set out in clause 12A.3(2).
- (4) A **distributor** must make its **default distributor agreement** available prominently on its website from the following date:
 - (a) for Orion New Zealand Limited, Powerco Limited, Unison Networks Limited, and Vector Limited, 60 **business days** after the date on which this clause comes into force;
 - (b) for each **distributor** that is a **distributor** on the date on which this clause comes into force and is not named in paragraph (a), 120 **business days** after the date on which this clause comes into force;

- (c) for each other **distributor**, from the later of the following:
 - (i) 120 **business days** after the date on which this clause comes into force;
 - (ii) 30 **business days** before the date on which the **distributor** commences engaging in the business of **distribution** on the basis described in clause 12A.2(a).

(5) A **distributor** must—

- (a) before making its **default distributor agreement** available on its website, consult each **trader** trading on the **distributor's network**, and each **participant** that the **distributor** considers is likely to be affected by the **default distributor agreement**, on the **operational terms** that the **distributor** proposes to include in its **default distributor agreement**; and
- (b) no later than 2 **business days** after making the agreement available, advise each such **trader** and **participant** that the **default distributor agreement** is available on the **distributor's** website.

12A.5 Appeal against operational terms in default distributor agreements

- (1) No later than 10 **business days** after a **distributor** makes its **default distributor agreement** available on its website under clause 12A.4(4), a **participant** that participated in the consultation under clause 12A.4(5) may appeal to the **Rulings Panel** against the inclusion of 1 or more **operational terms** in the **default distributor agreement** by giving notice to the **Rulings Panel** and the **distributor**.
- (2) If the **Rulings Panel** receives a notice from a **participant** by the day specified in subclause (1), the **Rulings Panel** must, no later than 10 **business days** after receiving the notice, advise the **participant** that the **Rulings Panel** will—
 - (a) review 1 or more of the **operational terms** to which the notice relates; or
 - (b) decline to review 1 or more of any such terms, giving reasons.
- (3) In reviewing an **operational term** in a **default distributor agreement**, the **Rulings Panel** must apply the principles set out in clause 12A.3(2).
- (4) If the **Rulings Panel** reviews an **operational term**, the **Rulings Panel** must, no later than 20 **business days** after advising the **participant** under subclause (2),—
 - (a) confirm the **operational term**; or
 - (b) amend the **operational term**, in which case clause 12A.6 applies; or
 - (c) direct the **distributor** to reconsider, either generally or in respect of any specified matter, the **operational term**, within such time as the **Rulings Panel** must specify, and give the **distributor** any such directions as the **Rulings Panel** thinks fit concerning the reconsideration of the **operational term**, in which case clause 12A.7 applies.

12A.6 Amendment to operational term by Rulings Panel following appeal

- (1) This clause applies if the **Rulings Panel** amends 1 or more **operational terms** of a **default distributor agreement** under clause 12A.5(4)(b).
- (2) Each such **operational term** in the **default distributor agreement** is deemed to be amended accordingly.
- (3) The **distributor** must—

- (a) make an updated version of its **default distributor agreement** that includes each amended **operational term** available prominently on its website no later than 5 **business days** after the date of the **Rulings Panel's** decision; and
- (b) advise each **trader** trading on the **distributor's network**, and each **participant** that the **distributor** considers is likely to be affected by the **default distributor agreement**, that an updated version of the agreement is available on the **distributor's** website no later than 2 **business days** after making the agreement available on its website.
- (4) For each **operational term** that the **Rulings Panel** amends, the **Rulings Panel** must stipulate 1 of the following in respect of each **distribution agreement** that the **distributor** has with a **trader** that includes the **operational term**:
 - (a) that the **distributor** or the **trader** may elect to amend the **distribution agreement** to include the amendment by giving notice to the other party:
 - (b) that the **distributor** may elect to amend the **distribution agreement** to include the amendment by giving notice to the **trader**:
 - (c) that the **trader** may elect to amend the **distributor agreement** with the **distributor** by giving notice to the **distributor**.
- (5) A notice given under subclause (4)(a), (b), or (c) must be given no later than 10 **business days** after the date on which the **distributor** gives notice under subclause (3)(b).
- (6) If a notice is given under subclause (4), each **distribution agreement** to which the notice relates is deemed to be amended accordingly from the date of the notice.
- (7) Subclauses (4) to (6) do not apply in respect of a **distribution agreement** in which the **operational term** has been amended or omitted.

12A.7 Amendment to operational term by distributor following appeal

- (1) If a **distributor** amends 1 or more **operational terms** of its **default distributor agreement** after being directed to reconsider the term by the **Rulings Panel** under clause 12A.5(4)(c), the **distributor** must—
 - (a) make an updated version of its **default distributor agreement** that reflects the amendment available prominently on its website no later than 5 **business days** after making the amendment; and
 - (b) no later than 2 **business days** after making the agreement available, advise each **trader** trading on the **distributor's network**, and each **participant** that the **distributor** considers is likely to be affected by the **default distributor agreement**, that an updated version of the agreement is available on the **distributor's** website.
- (2) Clause 12A.5 applies (with all necessary modifications) in respect of an amendment to a **default distributor agreement** made under subclause (1).

Entering into distribution agreements

12A.8 Obligation to enter into distribution agreement

- (1) A **trader** trading on the **distributor's network** must have a **distribution agreement** with the **distributor**.

(2) A **trader** must ensure that a **distribution agreement** comes into force on or before the day on which the **trader** commences trading on the **distributor's network**.

12A.9 Negotiating distribution agreements

(1) A **trader** that wishes to trade on a **distributor's network** must give notice to the **distributor** of that fact at least 20 **business days** before the **trader** proposes to commence trading on the **distributor's network**.

(2) If, after a **distributor** has made its **default distributor agreement** available on its website under clause 12A.4(4), a **distributor** receives a notice that a person wishes to trade as a **trader** on the **distributor's network**, the **distributor** must, no later than 5 **business days** after receiving the notice, offer to contract with the person on the terms set out in the **default distributor agreement**.

(3) A person that has given a notice under subclause (2) may withdraw the notice at any time before it enters into, or is deemed to have entered into, a binding contract with the **distributor**, by giving notice of the withdrawal of the notice to the **distributor**.

(4) At any time before the **default distributor agreement** applies as a binding contract between the **distributor** and the person under subclause (6), either the **distributor** or the person may give the other party notice that the **distributor** or the person wishes to contract with the other party on the terms set out in the **default distributor agreement**.

(5) If either party gives a notice under subclause (4), the **default distributor agreement** applies as a binding contract between the parties with effect from—

(a) the later of—

(i) the 5th **business day** after the date on which the notice is given; or

(ii) the day on which the person that wishes to trade as a **trader** on the **distributor's network** becomes a **participant**; or

(b) any other date agreed by the parties.

(6) If, at the expiry of 20 **business days** after a notice is received by a **distributor** under subclause (1), the **distributor** and the person have not agreed on the terms of a **distribution agreement** and neither party has given a notice under subclause (4), the **default distributor agreement** applies as a binding contract between the **distributor** and the person with effect from—

(a) the later of—

(i) the expiry of the period; or

(ii) the day on which the person that wishes to trade as a **trader** on the **distributor's network** becomes a **participant**; or

(b) any other date agreed by the parties.

12A.10 Alternative agreements

(1) A **distributor** and a **trader** may enter into a **distribution agreement** on terms that differ from the terms set out in the **distributor's default distributor agreement** (an "alternative agreement").

(2) However, a **distributor** and a **trader** that enter into an alternative agreement must ensure that the terms of the alternative agreement —

(a) address only the subject matter of the terms of the **default distributor agreement**; and

(b) relate only to **distribution** services.

Amending default distributor agreements

12A.11 Amending operational terms in default distributor agreements

- (1) A distributor may amend 1 or more of the operational terms in its default distributor agreement by making its default distributor agreement with the amended operational terms available prominently on its website.
- (2) Before a distributor amends its default distributor agreement, it must consult each trader trading on the distributor's network, and each participant that the distributor considers is likely to be affected by the amendment.
- (3) Clause 12A.5 applies (with all necessary modifications) in respect of an amendment to a default distributor agreement made under subclause (1).
- (4) The amending of a default distributor agreement under subclause (1) does not affect a distribution agreement between a distributor and trader that came into force before the day on which the default distributor agreement was made available under subclause (1).

Transitional provisions for existing agreements

12A.12 Transitional provisions for existing agreements

- (1) This clause applies to a distributor and a trader that have an agreement for distribution services that was entered into before the date on which the distributor made its default distributor agreement available on its website under clause 12A.4(4) ("existing agreement").
- (2) The distributor must, no later than 10 business days after the date on which the distributor makes its default distributor agreement available on its website, offer to contract with the trader on the terms set out in the default distributor agreement.
- (3) At any time before the default distributor agreement applies as a binding contract between the distributor and the trader under subclause (5), either the trader or the distributor may give the other party notice that the trader or distributor wishes to contract with the other party on the terms set out in the default distributor agreement.
- (4) If either party gives a notice under subclause (3), the default distributor agreement applies as a binding contract between the distributor and the trader with effect from the 5th business day after the date on which the notice is given, or any other date agreed by the parties.
- (5) Subject to subclause (4), if the distributor and the trader cannot agree on the terms of a distribution agreement to replace the existing agreement at the expiry of 2 months after the date on which this clause came into force—
 - (a) the default distributor agreement applies as a binding contract between the distributor and the trader with effect from the expiry of that period; and
 - (b) the provisions of the existing agreement that directly or indirectly relate to distribution services are deemed to have been terminated with effect from that date.
- (6) Clause 12A.10 applies in respect of any distribution agreement that the parties agree to replace an existing agreement that is not the default distributor agreement.

Use-of-system agreements

12A.2 Negotiating use-of-system agreements

- (1) — A **distributor** and a **trader** must negotiate the terms of a **use-of-system agreement** (including any amendment to a **use-of-system agreement**) in good faith.
- (2) — *[Revoked]*

12A.3 Mediation

- (1) — If a **distributor** or a **trader** considers that it is unlikely that it will agree the terms of a **use-of-system agreement** with the other party, the **distributor** or the **trader** may give written notice to the other party of that fact.
- (2) — The notice given under subclause (1) must—
- (a) — state that it is a notice given under subclause (1); and
 - (b) — include a copy of subclause (1); and
 - (c) — state that at the close of the 20th **business day** after the date of the notice, the **distributor** or **trader** (as the case may be) may require the other party to enter into mediation.
- (3) — No earlier than the close of the 20th **business day** after the date on which the notice referred to in subclause (2) is given, the **distributor** or the **trader** may, by written notice to the other party, require the other party to undertake mediation with the party who gave notice under this subclause.
- (4) — The notice given under subclause (3) must—
- (a) — state that it is a notice given under subclause (3); and
 - (b) — include a copy of subclause (3).
- (5) — On receipt of a notice given under subclause (3), the **distributor** and the **trader** must attempt in good faith to agree on the following matters:
- (a) — the mediator;
 - (b) — the date or dates for the mediation;
 - (c) — the location of the mediation;
 - (d) — the scope of the mediation;
 - (e) — the allocation of the costs of the mediation.
- (6) — If, at the close of the 15th **business day** after receipt of the notice given under subclause (3), the **distributor** and the **trader** are in dispute regarding 1 or more of the matters specified in subclause (5), either party may refer the dispute to the **Rulings Panel** for determination.
- (7) — The **Rulings Panel** may make such determination as it thinks fit.
- (8) — The **distributor** and the **trader** must carry out the mediation in accordance with any agreement reached under subclause (5) and any determination made under subclause (7).
- (9) — *[Revoked]*

Subpart 2

Distribution agreements in respect of embedded networks

12A.13 Application of this subpart

This subpart applies to—

- (a) each distributor that—
 - (i) conveys electricity to 1 or more consumers on the distributor's embedded network; and
 - (ii) does not have a contract in respect of the conveyance of electricity with 1 or more of those consumers; and
- (b) each trader that—
 - (i) is a retailer; and
 - (ii) wishes to trade or is trading at an ICP on the network of a distributor described in paragraph (a).

Distribution agreement

12A.14 Obligation to enter into distribution agreement

- (1) A trader trading on the distributor's network must have a distribution agreement with the distributor.
- (2) A trader must ensure that a distribution agreement comes into force on or before the day on which the trader commences trading on the distributor's network.
- (3) A trader that wishes to trade on a distributor's network must give notice to the distributor of that fact at least 20 business days before the trader proposes to commence trading on the distributor's network.

Prudential requirements

12A.154 Prudential requirements

Clauses 12A.~~164A~~ to 12A.~~185A~~ apply in relation to a ~~use-of-system~~ distribution agreement between a distributor and a trader if—

- (a) ~~the distributor party to the use-of-system distribution agreement has 1 or more consumers connected to its network to whom the distributor does not send accounts for line function services directly; and~~
- (b) ~~the distributor does not have a contract in respect of the conveyance of electricity with 1 or more of the consumers on the distributor's network's charges for line function services are collected from consumers or paid by the trader party to the use-of-system agreement in accordance with the use-of-system agreement; and~~
- (e**b**) the distributor requires that the ~~use-of-system~~ distribution agreement provides that the trader—
 - (i) must comply with prudential requirements; or
 - (ii) must comply with prudential requirements if required to do so by the distributor.

12A.164A Election of prudential requirements

- (1) Subject to clause 12A.~~185A~~, the distributor must ensure that if a use-of-system agreement provides that the trader party to the use-of-system agreement must comply with prudential requirements, including if required to do so by the distributor, the use-of-system distribution agreement must provide that the trader may elect to comply with the prudential requirements in either of the following ways:

- (a) the **trader** must maintain an acceptable credit rating in accordance with subclause (3); or
- (b) the **trader** must provide and maintain acceptable security by, at the **trader's** election,—
 - (i) providing the **distributor** with a cash deposit; or
 - (ii) arranging for a third party with an acceptable credit rating to provide that security in a form acceptable to the **distributor**; or
 - (iii) providing a combination of the securities described in subparagraphs (i) and (ii).
- (2) The **distributor must ensure that the ~~use-of-system distribution~~ agreement must provides** that the **trader** may change its election at any time.
- (3) For the purposes of this clause, a **trader** or third party has an acceptable credit rating if it—
 - (a) carries a long term credit rating of at least—
 - (i) BBB- (Standard & Poors Rating Group); or
 - (ii) a rating that is equivalent to the rating specified in subparagraph (i) from a rating agency that is an approved rating agency for the purposes of Part 5D of the Reserve Bank of New Zealand Act 1989; and
 - (b) is not subject to negative credit watch or any similar arrangement by the agency that gave it the credit rating.
- (4) Subject to clause 12A.175, the value of the acceptable security described in subclause (1)(b) must be the **distributor's** reasonable estimate of the ~~line function services distribution services~~ charges that the **trader** will be required to pay to the **distributor** in respect of any period of not more than 2 weeks.
- (5) **The distributor must ensure that a ~~A use-of-system distribution~~ agreement must specifies** that, if the **trader** elects to provide acceptable security as described in subclause (1)(b), the **distributor** must—
 - (a) hold any security provided by the **trader** in the form of a cash deposit in a trust account in the name of the **trader** at an interest rate that is the best on-call rate reasonably available at the time the **trader** provides the cash deposit; and
 - (b) pay interest earned in respect of the cash deposit to the **trader** on a quarterly basis, net of account fees and any amounts that are required to be withheld by law.

12A.175 Requirements if distributors require additional security

- (1) A **distributor** may require that its ~~use-of-system distribution~~ agreement provides 1 or both of the following:
 - (a) that if the **trader** elects to provide acceptable security as specified in clause 12A.164A(1)(b), the **trader** must provide acceptable security that is additional to the amount provided for in clause 12A.164A(4);
 - (b) that the **distributor** may, during the term of the ~~use-of-system distribution~~ agreement, require the **trader** to provide such additional security.
- (2) If a ~~use-of-system distribution~~ agreement has a provision provided for in subclause (1), the **distributor** must ensure that the total value of additional security specified in the ~~use-of-system distribution~~ agreement must be such that the total value of all security required to be provided by the **trader** must not be more than the **distributor's** reasonable estimate of the ~~line function services distribution services~~ charges that the **trader** will be required to pay to the **distributor** in respect of any 2 month period.

- (3) If a ~~use-of-system-distribution~~ agreement has a provision provided for in subclause (1), the **distributor** must ensure that the ~~use-of-system-distribution~~ agreement provides the following:
- (a) if any additional security provided by the **trader** is in the form of a cash deposit, the **distributor** must pay a charge to the **trader** for each day that the **distributor** holds the additional security at a per annum rate equal to the sum of the bank bill yield rate for that day plus 15% on the amount of additional security held on that day;
 - (b) if any additional security provided by the **trader** is in the form of security from a third party, the **distributor** must pay a charge to the **trader** for each day that the **distributor** holds the additional security at a per annum rate of 3% on the amount of additional security held on that day;
 - (c) any money required to be paid by the **distributor** to the **trader** as specified in paragraph (a) or (b) must be paid by the **distributor** to the **trader** on a quarterly basis.
- (4) For the purposes of this clause, the bank bill yield rate is—
- (a) the daily bank bill yield rate (rounded upwards to 2 decimal places) published on the wholesale interest rates page of the website of the Reserve Bank of New Zealand (or its successor or equivalent page) on that day as being the daily bank bill yield for bank bills having a tenor of 90 days; or
 - (b) for any day for which such a rate is not available, the bank bill yield rate is deemed to be the bank bill yield rate determined in accordance with paragraph (a) on the last day that such a rate was available.

12A.~~185A~~ Agreement to less onerous terms

Despite clause 12A.~~164A~~, a **distributor** and a **trader** may agree prudential requirements that are less onerous on the **trader** than the requirements described in clauses 12A.~~164~~ and ~~to~~ 12A.~~175~~.

~~12A.6 Distributor indemnity [Revoked]~~

~~Changes to tariff structure~~

~~Other requirements~~

12A.~~197~~ Distributors ~~must to~~ consult concerning changes to ~~tariff pricing~~ structures

- ~~(1) This clause applies to each distributor who has 1 or more consumers connected to its network to whom the distributor does not send accounts for line function services directly.~~
- ~~(2) The distributor must consult with each trader trading on the distributor's network in respect of the distributor's tariff pricing structure for the consumers with whom the distributor does not have a contract in respect of the conveyance of electricity referred to in subclause (1) before making a change to the tariff pricing structure that materially affects 1 or more traders or consumers.~~
- ~~(3) For the purpose of subclause (2), changes to a distributor's tariff pricing structure that may materially affect 1 or more traders or consumers include, but are not limited to, any of the following:~~

- (a) a change by the **distributor** to the eligibility criteria for 1 or more of the **distributor's tariff rates-prices**:
 - (b) a change by the **distributor** to the **distributor's tariff-pricing** structure by the introduction of a new **tariff rate-price**:
 - (c) a change by the **distributor** to the **distributor's tariff-pricing** structure that means that 1 or more of the **distributor's tariff rates-prices** are no longer available.
- (43) However, the fact that a change is listed in subclause (32) does not mean that a **distributor** is required to consult on the change if the change will not materially affect **traders** or **consumers**.
- (5) ~~[Revoked]~~

~~[Revoked]~~

~~12A.8 Changes to tariff rates [Revoked]~~

~~12A.9 Requirement to comply with EIEP12 [Revoked]~~

~~12A.10 Requirement to use standard tariff codes [Revoked]~~

12A.20 Distributor or trader may require provision of information

- (1) The **distributor** may, by notice in writing, require the **trader** to provide information to the **distributor**, to enable the **distributor** to invoice and reconcile charges for **distribution services**.
- (2) The **trader** may, by notice in writing, require the **distributor** to provide information to the **trader**, to enable the **trader** to invoice and reconcile charges for **distribution services**.
- (3) A **trader** or **distributor** that receives a notice under subclause (1) or subclause (2) must provide the information no later than 15 **business days** (or such other date as agreed between the parties) after receiving the notice.
- (4) Nothing in this clause prevents the **distributor** and the **trader** agreeing to provide **volume information** to each other for a purpose other than to enable invoicing and reconciling of charges for **distribution services**.

Subpart 3

Exchange of information

~~Exchange of information~~

~~12A.2111 Application of clauses 12A.12 to 12A.14 this subpart~~

~~Clauses 12A.12 to 12A.14 apply~~ This subpart applies to —

- (a) each ~~a~~ **distributor** ~~who that—~~
 - (i) conveys **electricity** to 1 or more **consumers** on the **distributor's local network or embedded network**; and
 - (ii) does not have a contract in respect of the conveyance of **electricity** with ~~has~~ 1 or more of those **consumers** ~~connected to its network to whom the distributor does not send accounts for line function services directly~~; and
- (b) each ~~a~~ **trader** ~~that—~~

- (i) is a retailer; and
- (ii) wishes to trade or is trading at an ICP on the **network** of a ~~the~~ **distributor** described in paragraph (a).

12A.12 Distributor or trader may require provision of information

- ~~(1) The **distributor** may, by notice in writing, require the **trader** to provide information to the **distributor**, to enable the **distributor** to invoice and reconcile charges for **line function services**.~~
- ~~(2) The **trader** may, by notice in writing, require the **distributor** to provide information to the **trader**, to enable the **trader** to invoice and reconcile charges for **line function services**.~~
- ~~(3) A **trader** or **distributor** that receives a notice under subclause (1) or subclause (2) must provide the information within 15 **business days** (or such other date as agreed between the parties) after receiving the notice.~~
- ~~(4) Nothing in this clause prevents the **distributor** and **trader** agreeing to provide **volume information** to each other for a purpose other than to enable invoicing and reconciling of charges for **line function services**.~~

12A.2213 Authority may publicise EIEPs that must be used

- (1) The **Authority** may **publicise** 1 or more **EIEPs** that set out standard formats that **distributors** and **traders** must use when exchanging information.
- (2) When **publicising** an **EIEP** under subclause (1), the **Authority** must specify the date on which the **EIEP** will come into effect.
- (3) The information to which an **EIEP publicised** under subclause (1) may relate includes, but is not limited to, the following information:
 - (a) **ICP** level billing information:
 - (b) summary level billing information:
 - (c) **half hourly** billing information:
 - (d) **distributor** tariff rate change information.
- (4) Before the **Authority** **publicises** an **EIEP** under subclause (1), or amends an **EIEP** it has **publicised** under subclause (1), it must consult with the **participants** that the **Authority** considers are likely to be affected by the **EIEP**.
- (5) The **Authority** need not comply with subclause (4) if it proposes to amend an **EIEP publicised** under subclause (1) if the **Authority** is satisfied that—
 - (a) the nature of the amendment is technical and non-controversial; or
 - (b) there has been adequate prior consultation so that the **Authority** has considered all relevant views.

~~(6) *[Revoked]*~~

12A.2314 Distributors and traders must to comply with EIEPs

- (1) If the **Authority** **publicises** an **EIEP** under clause 12A.2213, the **distributor** and the **trader** must, when exchanging information to which the **EIEP** relates, comply with the **EIEP** from the date on which the **EIEP** comes into effect.
- ~~(2) *[Revoked]*~~
- ~~(3) However, a **distributor** and a **trader** may, after an **EIEP** has been **publicised**, agree to exchange information other than in accordance with the **EIEP**, by recording the~~

agreement in ~~each use of system~~ the distribution agreement between the **distributor** and **trader**.

- (34) An agreement to exchange information other than in accordance with an **EIEP** is not effective in relieving a **distributor** and a **trader** of the obligation to comply with subclause (1), unless the agreement comes into effect on or after the date on which the relevant **EIEP** comes into effect.
- (45) An agreement under subclause (23) is not affected by the **Authority** publicising an amendment to the **EIEP**.
- ~~(6) — Subclause (1) does not apply to an **EIEP publicised** under clause 12A.15.~~

~~12A.15 Authority may publicise voluntary EIEPs~~

~~The **Authority** may publicise 1 or more **EIEPs** that set out standard formats that **distributors** and **traders** may, but are not required to, use when exchanging information.~~

12A.2416 Transitional provision relating to EIEPs

- (1) This clause applies to any **EIEP** that a **distributor** or **trader** was required to comply with immediately before this clause came into force.
- (2) An **EIEP** to which this clause applies—
 - (a) is deemed to be an **EIEP publicised** under clause 12A.2213(1); and
 - (b) despite clause 12A.2213(2), comes into effect on the date on which this clause comes into force.
- (3) The **Authority** need not comply with clause 12A.2213(4) in respect of an **EIEP** to which this clause applies, unless the **Authority** proposes to amend the **EIEP**.
- ~~(4) — *[Revoked]*~~

~~Schedule 12A.1~~

~~cl 12A.7~~

~~Distributor indemnity in use-of-system agreements *[Revoked]*~~

Schedule 12A.1

cl 12A.4

Default distributor agreement template

[See Appendix C]

Part 1

Preliminary provisions

1.1 Interpretation

(1) In this Code, unless the context otherwise requires,—

default core term means a term set out in the **default distributor agreement template** for inclusion in **default distributor agreements** in accordance with clause 12A.4(1)(a)(i)

default distributor agreement means a **distribution agreement** made available by a **distributor** under clause 12A.4(4), 12A.6(3)(a), 12A.7(1)(a), or 12A.11(1)

default distributor agreement template means the template agreement set out in Schedule 12A.1

~~**use-of-system distribution agreement**~~ means an agreement between a **distributor** and a **trader** that allows the **trader** to trade on the **distributor's local network** or **embedded network**

~~**line function services** has the meaning given to it by section 5 of the Act~~

operational term means a term that is included in a **default distributor agreement** in accordance with clause 12A.4(1)(a)(ii)

serious financial breach—

(a) means a failure by a **retailer**—

(i) to pay to a **distributor** an amount due and owing that exceeds the greater of \$100,000 or 20% of the actual charges payable by the **retailer** for the previous month, unless the amount is genuinely disputed by the **retailer**; or

(ii) to comply with the prudential requirements under a ~~**use-of-system agreement**~~ **distribution agreement** between the **retailer** and a **distributor**; ~~but~~

(b) does not include a failure by a **retailer** to comply with prudential requirements to the extent that the prudential requirements exceed,—

(i) in the case of a **retailer** to whom subpart 1 of Part 12A applies, the prudential requirements specified in the **default distributor agreement template** what is permitted under clauses 12A.4 and 12A.5; and

(ii) in the case of a **retailer** to whom subpart 2 of Part 12A applies, the prudential requirements specified in clauses 12A.15 to 12A.17.

Part 11

Registry information management

11.5 Participants may request that distributors create ICP identifiers for ICPs

- (1) A **participant** to whom clause 11.3 applies may request that a **distributor** create an **ICP identifier** for an **ICP** on a **network** for which the **distributor** is responsible.
- (2) A **participant** that is a trader may make a request under subclause (1) only if the ~~participant~~ trader has,—
 - (a) in the case of a trader to whom subpart 1 or subpart 2 of Part 12A applies, an arrangement **distribution agreement** with the distributor ~~for line function services~~ in accordance with clause 11.16; or
 - (b) for all other traders, an arrangement with the distributor for distribution services in accordance with clause 11.16.
- (3) A **distributor** to whom a request is made must, within 3 **business days** of receiving the request, create a new **ICP identifier** for each **ICP** to which the request relates in accordance with clause 1 of Schedule 11.1, or advise the **participant** of the **distributor's** reasons for not complying with the request.

11.16 Traders to have distribution agreements or other distribution service arrangements and ensure metering arrangements ~~for line function services and metering~~

Before providing the **registry** with information about an ICP in accordance with clause 11.7(2) or clause 11.18(4), a **trader** must have—

- (a) either,—
 - (i) if the trader is a trader to whom subpart 1 or subpart 2 of Part 12A applies, a **distribution agreement** with the distributor on whose network the ICP is located; or
 - (ii) in all other cases, entered into an ~~ensure that it, or its customer, has made any necessary~~ arrangements for the provision of **line function services distribution services** in relation to the ICP with the distributor; and
- (b) ~~have~~ entered into an arrangement with a **metering equipment provider** to be responsible for each **metering installation** for the **ICP**.

Part 14

Registry information management

14.41 Definition of an event of default

Each of the following events constitutes an **event of default**:

...

- (h) termination of a **trader's ~~use-of-system~~ distribution agreement** with a **distributor** because of a **serious financial breach** if—
 - (i) the **trader** continues to have a **customer** or **customers** on the **distributor's ~~local~~ network**; and
 - (ii) there are no unresolved disputes between the **trader** and the **distributor** in relation to the termination; and
 - (iii) the **distributor** has not been able to remedy the situation in a reasonable time; and
 - (iv) the **distributor** gives notice to the **Authority** that this clause applies.