

22 September 2017

Submissions
Electricity Authority
Level 7, ASB Bank Tower
2 Hunter Street
Wellington

VECTOR LIMITED
101 CARLTON GORE ROAD
PO BOX 99882
AUCKLAND 1149
NEW ZEALAND
+64 9 978 7788 / VECTOR.CO.NZ

By email: submissions@ea.govt.nz

Submission on the EIEP Operational Review 2017

Introduction

1. This is Vector Limited's (Vector) submission on the Electricity Authority's (the Authority) consultation paper, *Electricity information exchange protocols (EIEPs) – 2017 operational review*, dated 4 August 2017.
2. We set out below our responses to questions in the consultation paper that are of relevance or interest to our business. While we have no significant issues with most of the Authority's proposed operational amendments, we do not particularly agree with:
 - the requirement for traders to use EIEP1 when a distributor has specified time blocked periods for applying delivery prices (under Question 8), which would limit our ability to verify values; and
 - the proposed reporting requirement for Month 7 files (under Question 11), which we consider to be onerous and would not provide overriding industry and consumer benefits.
3. No part of this submission is confidential. Vector's contact person for this submission is:

Luz Rose
Senior Regulatory Specialist
Luz.Rose@vector.co.nz
04 803 9051

Responses to selected consultation questions

Q2: Do you agree with the proposed amendments to the EIEP1 sections "Application" and "Description of when this protocol applies"? If not, please provide reasons and discussion.

4. Yes.

Q3: As a distributor, what is your preferred EIEP1 reporting methodology? Which of the four reporting methodology options do you currently receive?

5. We prefer to use RM Normalised, which is currently used by many traders, for consistency reasons.
6. At present, we receive all three normalised versions, although other than RM normalised, it is sometimes difficult to tell which version traders are using with i and iii.

Q6: Do you agree that it is problematic for distributors receiving and processing EIEP1 files from traders using different reporting methodologies, and potentially problematic for traders depending on how the distributor manages the data based on a mix of methodologies? Please outline any issues with mixing methodologies that you have observed.

7. Yes. Using a mix of methodologies often makes it difficult to determine the information traders are putting into the files (due to confusion and changes around i and iii). We note that some traders put extended dates and usage well beyond the acceptable wash-up period for these files.

Q7: Do you consider that there should be a default reporting methodology? Please give reasons and state your preferred reporting methodology.

8. A default reporting methodology should be agreed between distributors and traders as distributor-trader circumstances and relationships can vary widely.
9. As stated in our response to Q3, we prefer to use RM normalised to ensure consistency with what most traders are currently using.

Q8: Do you agree with the Authority's proposed Option D in paragraph 6.10(d) to amend business requirement 12? If not, please explain.

10. We strongly disagree with Option D which would limit our ability to verify values. Current arrangements work and we do not see a compelling case for change.
11. In addition, the definitions of HHR and NHH are unclear, i.e. whether HHR indicates data from smart meters and NHH from non-smart meters.
12. We do not wish to receive two EIEP1 files every month – one for smart meters and another for legacy meters. All data that is sent from traders in an EIEP1 file is returned in an EIEP1 file, and all data sent from traders in an EIEP3 file is invoiced and sent in another EIEP1 file (HHR for Vector = EIEP3 files sent with kWh and kVArh data which is required for sites >345kVA to determine demand charges for billing).

Q9: If feedback indicates there is a clear majority favouring one of the options in paragraph 6.10 which is incompatible with your current system design, what would be the estimated cost of your system changes to align?

13. That would depend on the definition of HHR, i.e. whether they refer to smart meters or Cat 3 and higher category meters.

Q10: Do you agree with the proposed new business requirements 22 and 23 as marked up in EIEP1 (see Appendix A), restricting the distributor's right to mix as billed and normalised data, or to normalise as billed data, where validly provided by a trader, when generating its invoice for network charges? If you do not agree, please provide reasons and discussion.

14. We strongly disagree with this proposal. Vector's billing system is based on calendar month. All traders are billed at the same time in a similar manner. With switching, reversed switches and changes between traders that use RM normalised and the few that use incremental normalised is not possible.
15. We note that a handful of traders are already delayed by a month with their interim as billed normalised files. In such cases, the distributor makes estimates for the current month until the data is loaded and then corrected during the 3-month wash-up.

Q11: Do you agree with the proposal in paragraph 6.18 and marked up in EIEP1 (see Appendix A) for the replacement RM normalised methodology that sets out minimum requirements for revision files to be provided by traders, and minimum requirements on distributors to process revision files provided by traders? If you disagree, please provide reasons and discussion? [sic]

16. We strongly disagree with this proposal which requires the reporting of Month 7 files.
17. Vector processes initial files, Month 3 files, and Month 14 files. Processing Month 7 files would add another bill run to an already full month. Currently, Month 3 and Month 14 files are processed after the 14th working day which on the fullest month of the year is eight working days, and on the worst month of the year is five working days. There is simply insufficient time for us to deal with this additional requirement.
18. Month 3 is the critical month as most issues are resolved at this stage. The final wash-up run occurs at Month 14.
19. We do not see any value with reporting for Month 7. We note that no traders have actively requested us for this information. About three traders currently provide us with Month 7 files; we assume this is generated automatically by their systems.

Q12: Do you agree with adding new EIEP file types to be used by distributors to support their invoices for network charges? If not, please provide reasons and discussion.

20. Yes. Vector already splits the EIEP files into EIEP1_MM for ICPs billed from EIEP1 files from traders, and an EIEP1_HH file for ICPs billed using EIEP3 files. This would simply require a name change on the file.

Q13: Do you agree with amending the EIEP1 field description from 'Network price category description' to 'Price category code', and amending the validation rule to 'Network price category code as per the Sender's records'? If not, what is your preference? Please provide reasons and discussion.

21. We are ambivalent about this proposed amendment. The network price is applicable from the plan attached to the ICP in the system, which is also found on the registry. It is not the price or description within the trader file that is subject to timing differences or trader coding errors; in some cases, this field description can be empty.

Q14: Do you agree that the inconsistent approaches in EIEP1 files to unit quantity and attributes used in the calculation of the network charge are important enough that a single approach should be specified?

22. There is merit in specifying a single approach for this purpose.

Q15: If participants prefer a single approach to the EIEP1 unit quantity and attributes used in calculating the network charge, do you agree that the approach outlined in paragraph 6.28 is the most sensible solution? If not, please advise your preference and reasons.

23. Yes.

Q17: Are there any other amendments beyond those proposed that you would like to see made to EIEP1?

24. Not at this stage.

Q22: Do you agree with making EIEP5A mandatory? If not, please provide reasons why not and discussion.

25. Yes, for consistency reasons when notifying traders of planned service interruptions.

Q23: Do you agree with the proposed amendments to EIEP5A? If not please provide reasons and discussion.

26. We agree with the proposed amendments stipulated in these sections in the consultation paper: 6.40(a), 6.40(b) - a common code identifying the type of revision would be useful, and 6.41(c).

Q24: As a distributor, if the planned service interruption information you currently provide does not comply with EIEP5A, what would be the estimated cost to modify your notification files to comply?

27. It would cost us approximately \$40,000 to make such modification.

Q25: Do you consider the Authority should consider option 1 described above in 6.43(a)? Please provide reasons and discussion for your view.

Q26: Do you consider the Authority should consider option 2 described 6.43(b)? [sic] Please provide reasons and discussion for your view.

28. Yes. We agree with the advantages of option 1 and prefer distributors using the registry data hub to forward an EIEP5A file to the current trader for an ICP identifier identified in the EIEP5A.

29. As such, we do not see the need for the Authority to consider option 2.

Yours sincerely

For and on behalf of Vector Limited



Richard Sharp

Head of Regulatory and Pricing