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Dear Andrew

Submission on the Statement of Proposal: Gas Registry Amendments

Introduction

1. Vector Limited ("Vector") welcomes the opportunity to make this submission on the Gas Industry Company's ("GIC") *Statement of Proposal: Gas Registry Amendments*, dated 12 August 2014.
2. We generally support the proposed amendments but have some concerns around processes in relation to the proposed audits of registry participants, and the working group being convened to discuss a transition plan and commence work on data cleansing.
3. Our responses to specific questions in the Statement of Proposal ("SoP") are set out below.
4. No part of this submission is confidential and we are happy for it to be made publicly available.
5. Vector's contact person for this submission is:

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Responses to specific questions

Q1: Do you agree with the definitions proposed for the three core metering fields? If not, please explain why and supply alternate definitions.

Q2: Do you agree with the addition of these three fields to the registry?

6. We agree with the proposed definitions. However, we question the need for five digits for the register multiplier. We consider five digits to be an excessive amount when the number in question is between 10 and 100.
7. We agree with the addition of the three GMS fields in the registry.

Q3: Do you agree with the definitions proposed for TOU meter and advanced meter? If not, please explain why and supply an alternate definition.

Q4: Do you agree with the proposal to add the TOU flag, but not to add the other metering fields, or change the number of location codes in use?

8. We agree with the addition of the proposed TOU meter and advanced meter definitions.
9. We also agree with the proposal to add a TOU flag to the registry and allow the meter owners to 'tidy up' meter location codes with a view to reducing the number in use. Location codes that are becoming redundant should be considered for 'retirement' from the registry.

Q5: Do you agree that the proposed distributor fields do not add sufficient value to warrant addition to the registry?

10. We agree that there is insufficient value to warrant the addition of the proposed distributor fields at this time. This should, however, not prevent a future review by the GIC of these fields and their potential introduction, especially the addition of minimum/maximum network pressures.

Q6: Given the extent of the changes required to retailers' systems, do you agree that a file versioning mechanism should be implemented? If so, do you support participant level versioning or individual report level versioning?

11. We agree that a file versioning mechanism should be implemented, preferably at a participant level.

Q7: Do you agree with the introduction of audit provisions to the Rules? Do you have any comments on the audit principles or proposed rule drafting?

12. We recognise the need for the introduction of audit provisions to the Gas (Switching) Rules 2008. However, we have concerns around the timeframes associated with the proposed additional performance audits of registry participants, which are already subject to other audit requirements. While the direct costs are stated as low, the time associated with the preparation, completion and response needs to be recognised, given competing audit and regulatory requirements.

13. For example, the gas metering services market is potentially subject to an inquiry by the Commerce Commission under Part 4 of the Commerce Act 1986. Substantial resources of our gas metering business, AMS, are being tied up in preparation for this inquiry. We suggest that the GIC take into account ongoing competing demands on industry participants' time and resources in setting the commencement date and timeframes of the proposed audits.
14. The SoP indicates that during the first couple of years, a baseline audit will be conducted. We note that there had been limited discussion about audits during the three meetings of the Registry Amendments Project Team. We seek clarification what the GIC means by "baseline" and how this may differ from future audits.
15. We seek further details on what particular aspects of the operations of distribution network owners and GMS owners relating to the registry will be audited, and the timeframes around these audits. This includes how potential disputes arising from audit results will be resolved between the relevant parties.

Q8: Do you agree with the introduction of a validation check on the content of the Gas Transfer Notice? Do you agree that this validation should not be applied for ICPs with TOU meters?

16. We recognise the need for validation if the status quo for switching is retained after the addition of the new metering fields to the registry. However, we disagree with the status quo being retained in respect of retailers' processes.
17. The meter owner is responsible for maintaining accurate information on its assets in the registry, which the SoP acknowledges would contain the authoritative information. By making the 'losing' retailer work with the meter owner to resolve discrepancies, the GIC is effectively penalising GMS owners for errors made by retailers.
18. The GIC should not underestimate the time and costs associated with confirming metering details. In some instances, it may be impossible to confirm these details within the switching timeframe due to issues around access. This may be exacerbated by confusion about which (winning or losing) retailer's contractual terms apply to ensure access. The meter owner could be 'caught in the middle', as we have experienced in the past, when conflicts between the retailer and customer occur.
19. We seek clarification whether the GMS owner will have the full 10 business days to resolve the issue with the losing retailer or whether it will be given just a fraction of this time. The losing retailer may not identify any validation issue and not raise the matter with the meter owner promptly, resulting in an erosion of the 10 business day limit.

20. We consider the removal of metering data from the GTN to be the optimal solution, with the winning retailer collecting meter data from the registry for its new site. This way, the transfer of incorrect metering data between retailers is avoided.
21. We agree that there should be no validation requirement for TOU meters as it is likely that changes in metering details will be occurring at the same time that a switch is taking place.

Q9: Do you agree with the reduction of the allowed switch timeframe from 23 business days to 10 business days?

22. We agree with this proposed reduction in switching timeframe to enhance customer experience. However, as indicated in our response to Q8, we are concerned that the 10 business day timeframe may be unachievable in circumstances where discrepancies need to be resolved by the GMS owner before switching can occur.
23. We propose that the GIC look further into such cases and allow for a more reasonable timeframe or exemptions.

Q10: Do you agree with the amended wording of rule 61.1.1, to accommodate switches where contracts have been entered into significantly in advance of the supply commencement date?

24. We agree with this proposed change. In this case, there should be no ability for the new retailer to backdate switches; the retailer should know the event date well in advance.

Q11: Do you agree that a meter owner should have the ability to populate an ICP's metering parameters, and the responsible meter owner field, before retailer uplift of an ICP?

25. We agree with the proposal allowing meter owners to claim and populate the ICP before retailer uplift. The existing process prevents the meter owner from updating its data, which can sometimes cause significant delay.
26. We are concerned, however, that retailers would not have the accountability for both consumption and visibility because they are not required to 'accept' an ICP they have commissioned with the distribution network owner and GMS owner. The retailer is the fulcrum around which downstream parties of the gas supply chain operate. When a retailer does not accept an ICP, the network owner and GMS owner may be denied access to their assets (which is provided in the retailer agreement, except in emergency cases).
27. Gas consumption, as described in the SoP, will not be accounted for by a retailer and, as a result, could contribute to Unaccounted-for-Gas ("UFG"). As outlined in

the SoP, the reduction of UFG is one of the key drivers behind the proposed changes to the registry.

28. To mitigate the above issue, we propose a five business day timeframe instead of the current two day timeframe to allow both the meter owner and retailer to uplift and populate the registry. This is a better reflection of the time it would actually take to obtain and process the information.
29. Over time, it may be appropriate to consider reducing this timeframe as improved forms of data recording and processing are adopted.

Q12: Do you agree that ICP parameters should be able to be edited by their respective owners during a switch? Are there any ICP parameters that should remain restricted?

30. We agree that ICP parameters should be editable during a switch.
31. Distribution networks and GMS owners have little visibility of switches occurring and delays in editing ICP information could lead to additional work. Both parties operate planned and reactive maintenance regimes that do not take into account switching, which could result in a need to update registry information (e.g. planned meter exchange, network pressure change, etc). The required updates may have implications for billing calculation and UFG levels.
32. We recommend that both distribution networks and GMS owners be permitted to edit their respective parameters during the course of a switch.

Q13: Do you agree that a connection status for temporary disconnections, as provided for in Rule 59, should be added to the registry?

33. We agree with the proposed introduction of a temporary disconnection status.

Q14: Do you support the development and implementation of a gas data hub?

Q15: Do you have any other comments on enhancements to the registry interfaces or other information exchange mechanisms?

34. We support the development and implementation of a gas data hub.
35. We have no further comments on the enhancements to the registry interfaces and other information exchange mechanisms.

Q16: Do you support the proposed minor changes?

36. We support the proposed minor changes, especially amending the participant notification parameters for metering from optional to mandatory.

Other comments

37. The SoP has no provision for recognising mixed ownership at a metering installation (e.g. metering and pressure control owned by one party and the ToU device by another, or other permutations). We consider that making this distinction would be appropriate as it will provide guidance to the retailer on who they should be contacting for information.
38. Further, the GIC is not seeking comments on Section 9 of the SoP, "Implementation phase". We are concerned that Figure 2 indicates that data cleansing will commence in mid-September 2014.
39. The effort and resources required for this work are unknown. We therefore cannot confirm whether the proposed timeline is reasonable or achievable.

Concluding comment

40. We are not aware of any invitation for nominations to the working group that will be formed to commence work on data cleansing. We suggest that this invitation be circulated widely to stakeholders.
41. We are happy to discuss with the GIC any aspect of this submission, in particular, around audit details and timeframes.

Yours sincerely



Ian Ferguson
Regulatory Policy Manager