Proposed Code amendments: Implementing retailer default

Consultation Paper

Submissions close: 5 pm on Friday 3 October 2014

26 August 2014

Executive summary

1. On 4 November 2013, the Electricity Authority (Authority) amended the Electricity Industry Participation Code 2010 (Code) to include new retail default provisions. The new provisions allow the Authority to manage a situation in which a retailer does not meet its financial obligations or becomes insolvent. The key retail default provisions are clauses 11.15B, 11.15C, and Schedule 11.5 of Part 11 of the Code.

2. The retail default Code amendments were made as a result of work done by the Retail Advisory Group (RAG) with input from the Wholesale Advisory Group (WAG), and following consultation on proposed Code amendments in August 2013. The amendments came into force on 16 December 2013.

3. The Authority has identified four issues that need to be addressed to ensure that the retail default Code provisions operate effectively.

4. First, in some cases a trader recorded in the registry as being responsible for an installation control point (ICP) is not the retailer that has the contract to supply the customer at the ICP. In that case, the retailer that has the supply contract with the customer is referred to in this consultation paper as a "type 2 retailer".

5. Type 2 retailers are not required to provide information to the registry, and traders are not required to provide information to the registry about type 2 retailers. That means that if a retailer commits an event of default, the Authority has no way of knowing whether there are any type 2 retailers that have supply contracts with customers at the defaulting retailer's ICPs.

6. That would create difficulties if a retailer commits an event of default and a type 2 retailer has the customer supply contracts at some of the defaulting retailer's ICPs.

7. One issue that would arise is that the Authority may assign the defaulting retailer's ICPs to multiple recipient retailers. In that event, the type 2 retailer would find that it needed to deal with each of those recipient retailers, and potentially have to enter into new arrangements with all of them if it wished to hold on to its customers. It would be preferable if the ICPs of the type 2 retailer were assigned to a single retailer, so that the type 2 retailer would only need to deal with that retailer.

8. Another issue that could arise is that if the Authority assigns the customer contracts and ICPs of the defaulting retailer, the Authority would have to assume that the defaulting retailer had the customer contracts at those ICPs. The Authority would therefore unknowingly assign the customer contracts of a type 2 retailer to other retailers, on the assumption that the customer contracts were actually held by the defaulting retailer.

9. Accordingly, the Authority is proposing to amend the Code to require that, for each ICP at which a trader trades electricity, the trader must advise the registry of the

retailer that has the contract to supply the customer at the ICP (which could be the trader itself, or a type 2 retailer). The Authority is also proposing to amend the Code to provide that, if a trader defaults, it must advise any type 2 retailers that have customer supply contracts at the trader's ICPs of the event of default.

10.   Second, in identifying the above issue relating to type 2 retailers, it has come to the Authority's attention that the retail default provisions should be directed at traders, rather than retailers. Only a trader can commit an event of default because only traders purchase electricity from the wholesale market and only traders have use-of-system agreements with distributors. That means that the Authority would need to intervene only if a trader commits an event of default, in order to ensure that the trader's ICPs are assigned to other traders. The Authority does not need to intervene if a retailer that is not a trader (such as a type 2 retailer) is unable to pay its debts or is insolvent, because the trader responsible for the ICPs will continue to remain responsible for them, and the wholesale market would not be exposed to any failure by the type 2 retailer.

11.   Accordingly, the Authority is proposing to amend the retail default provisions (clauses 11.15B and 11.15C, Schedule 11.5, and clause 14.55) so that they refer to trader events of default, rather than retailer events of default. The proposed amendments will provide that traders rather than retailers must amend their customer contracts, and that traders rather than retailers must comply with the requirements in Schedule 11.5 if there is a trader event of default. For this reason, the paragraphs in this executive summary below refer to traders rather than retailers.

12.   Third, under clause 5(2) of Schedule 11.5, the Authority is able to assign the contracts and ICPs of defaulting traders to other traders. The Authority recognises that some traders are unable to trade at network supply points (NSPs) and ICPs with certain attributes. That could be because a trader does not have an arrangement with the distributor on whose network the ICPs are located, or because a trader cannot trade at ICPs with a certain submission type, price category code, metering installation category, or installation type.

13.   Accordingly, the Authority is proposing to amend the Code to require traders to provide information about NSPs and ICPs at which they cannot trade for specified reasons, and to update that information when required to do so by the Authority. The Authority will be able to take that information into account when determining what contracts and ICPs to assign to what trader, if it needs to assign the ICPs of a defaulting trader under clause 5(2) of Schedule 11.5.

14.   The Authority also recognises that a trader that is assigned an ICP may immediately find itself in breach the Code in relation to the ICP for reasons outside of the trader's control. Specifically, the Authority recognises that a trader might be in breach of:

a.   the requirement in clause 10.24(a) of the Code to ensure there is at least 1 metering installation at the ICP

b. the requirements in clause 11.16 to ensure that it or its customer has made any necessary arrangements for the provision of line function services in relation to the ICP, and to have entered into an arrangement with a metering equipment provider to be responsible for the metering installation at the ICP.

15. Accordingly, the Authority is also proposing to amend the Code to provide that a trader that is assigned an ICP does not breach the above Code provisions for the first 20 business days after the assignment. The Authority considers that 20 business days should be sufficient time for a trader that is assigned an ICP to ensure that it complies with requirements specified in paragraph 13.

16. Fourth, the Authority recognises that a trader that is assigned the customer contracts of a defaulting trader will need to know how to contact the trader's new customers. Although the Code provides that the Authority may request that information from the defaulting trader, the Authority recognises that the defaulting trader may not be willing or able to provide that information.

17. Accordingly, the Authority is proposing to amend the Code to require that, for each ICP at which a trader trades electricity, the trader must advise the registry of the customer name, postal address, email address, and phone number (if known).

18. The Authority considers that Code amendments that address these concerns will meet its statutory objective. The Authority considers that the proposed amendments are superior, when assessed against its statutory objective, than the available alternative, which is the status quo. The Authority also considers that the benefits of the proposed approach exceed its cost.

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1. What you need to know to make a submission

1.1 What this consultation paper is about

1.1.1   The Authority is proposing to amend the Code to ensure that it is properly able to manage trader defaults, including by ensuring that the Authority is aware of whether there are any type 2 retailers at a defaulting trader's ICPs. The proposed Code amendments will also protect traders by providing for traders to provide information to the Authority about ICPs at which they cannot trade, and by ensuring that traders that are assigned new customers as the result of another trader defaulting are able to contract those customers. The proposed amendment is attached as Appendix A.

1.1.2   The purpose of this paper is to consult with participants and persons that the Authority thinks are representative of the interests of those likely to be affected by the proposed amendment.

1.1.3   Section 39(1)(c) of the Act requires the Authority to consult on any proposed amendment to the Code and corresponding regulatory statement. Section 39(2) provides that the regulatory statement must include a statement of the objectives of the proposed amendment, an evaluation of the costs and benefits of the proposed amendment, and an evaluation of alternative means of achieving the objectives of the proposed amendment. The regulatory statement is set out in part 3 of this paper.

1.1.4   The Authority invites you to make a submission on the regulatory statement and the proposed amendment.

1.2 How to make a submission

1.2.1   Your submission is likely to be made available to the general public on the Authority's website. If necessary, please indicate any documents attached in support of your submission and any information that is provided to the Authority on a confidential basis. However, you should be aware that all information provided to the Authority is subject to the Official Information Act 1982.

1.2.2   The Authority's preference is to receive submissions in electronic format (Microsoft Word) in the format shown in Appendix B. Submissions in electronic form should be emailed to submissions@ea.govt.nz with "Consultation Paper—Proposed Code amendments: Implementing retailer default" in the subject line.

1.2.3   Do not send hard copies of submissions to the Authority unless it is not possible to do so electronically. If you cannot or do not wish to send your submission electronically, you should post one hard copy of the submission to either of the

addresses provided below or you can fax it to 04 460 8879. You can call 04 460 8860 if you have any questions.

Postal address	Physical address
Submissions	Submissions
Electricity Authority	Electricity Authority
PO Box 10041	Level 7, ASB Bank Tower
Wellington 6143	2 Hunter Street
	Wellington

1.3   Deadline for receiving a submission

1.3.1   Submissions should be received by **5pm** on **Friday 3 October 2014**. Please note that late submissions are unlikely to be considered.

1.3.2   The Authority will acknowledge receipt of all submissions electronically. Please contact the Submissions' Administrator if you do not receive electronic acknowledgement of your submission within two business days.

2. Issue the Authority would like to address

2.1 The existing arrangements

2.1.1 The retail default Code amendments that came into force on 16 December 2013 introduced a three-phase process for managing a retailer event of default:

- Phase 1. The Authority will give notice to a retailer if it commits an event of default under paragraph (a), (b), (f), or (h) of clause 14.55 (clause 2 of Schedule 11.5).[1] The defaulting retailer has 7 days to either remedy the default by meeting its financial obligations or transfer its ICPs to another retailer. The defaulting retailer may require the relevant distributors and registry manager to provide information about the defaulting retailer's customers (clause 3 of Schedule 11.5).

- Phase 2. If a default is not remedied after 7 days, the defaulting retailer's customers will be notified by the Authority that they have 7 days to switch to another retailer (clause 4 of Schedule 11.5). The Authority may also suspend the retailer and apply to the Rulings Panel for a termination order if the retailer is a generator or a purchaser (section 49 of the Electricity Industry Act 2010 (Act)).

- Phase 3. If, 17 days after the defaulting retailer was first given notice of the event of default by the Authority, the defaulting retailer still has customers or ICPs, the Authority may assign all remaining rights and obligations under the defaulting retailer's customer contracts, and the defaulting retailer's ICPs, to other retailers (clause 5(2) of Schedule 11.5). The Authority can require any retailer to accept such an assignment (clause 5(3) of Schedule 11.5).

2.1.2 Before assigning contractual rights and obligations and ICPs under clause 5, the Authority may seek expressions of interest from retailers that wish to accept responsibility for the relevant ICPs and customer contracts. The Authority may do that by running a tender or other competitive process (clause 5(8) of Schedule 11.5).

2.1.3 The Code also provides that the Authority may decide not to assign customer contracts or ICPs to a trader if doing so would pose a serious threat to the financial viability of a trader (clause 5(4) of Schedule 11.5).

2.1.4 In order for the Authority to be able to manage retailer defaults as outlined above, the Code was amended to require each retailer to amend its customer contracts to provide:

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[1] A new Part 14 of the Code comes into force on 24 March 2015. The equivalent clause in the new Part 14 to clause 14.55 is clause 14.41. The amendments proposed in this paper will actually amend the new clause 14.41, as the amendments proposed in this paper, if made, would not come into force until after 24 March 2015.

- that the Authority may assign the retailer's rights and obligations under the contract to another retailer (the "recipient retailer") if the retailer commits an event of default (clause 11.15B(1)(a))

- that on assignment, the terms of the contracts may be amended to the standard terms that the recipient retailer would normally have offered to the customer (or more advantageous terms if the Authority and recipient retailer agree) (clause 11.15B(1)(b))

- that on assignment, the terms of the contracts may be amended to include a minimum term during which the customer must pay to cancel the contract (clause 11.15B(1)(c))

- that the defaulting retailer may give the contact details of the customers to the Authority, and the Authority may give that information to other retailers if necessary (clause 11.15B(1)(d))

- that another trader may assign its rights and obligations under the customer contracts to another trader (clause 11.15B(1)(e)).

2.1.5 Every customer contract, including those entered into before the Code amendments came into force on 16 December 2013, was required to be amended as set out in paragraph 2.1.4 by 16 June 2014 (clause 11.15B(2)).

2.2 Issues with the existing arrangements

2.2.1 The Authority has identified four issues that need to be addressed to ensure that the retail default Code provisions operate effectively.

Issue 1 - Type 2 retailers

2.2.2 In some cases, the trader recorded in the registry as being responsible for an ICP is not the retailer that has the contract to supply the customer at the ICP. Such a retailer is referred to in this consultation paper as a "type 2 retailer". Figure 1 illustrates a type 2 retailer's relationship with traders.
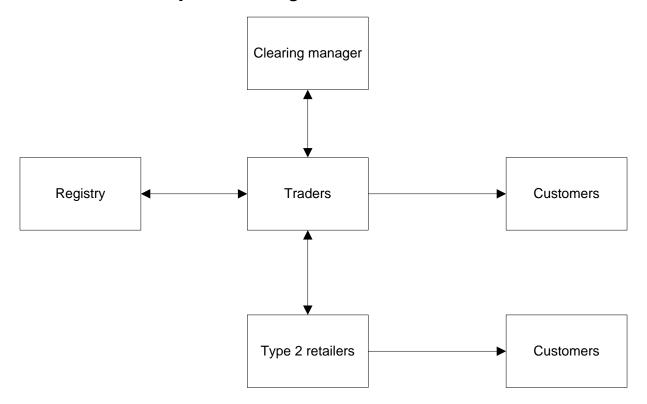
Figure 1 Relationship of Type 2 retailers with traders and market operations obligations

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                        ┌──────────────────┐
                        │ Clearing manager │
                        └──────────────────┘
                                 ↕
┌──────────┐          ┌──────────────────┐          ┌──────────────┐
│ Registry │ ◄──────► │     Traders      │ ───────► │  Customers   │
└──────────┘          └──────────────────┘          └──────────────┘
                                 ↕
                        ┌──────────────────┐          ┌──────────────┐
                        │ Type 2 retailers │ ───────► │  Customers   │
                        └──────────────────┘          └──────────────┘
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2.2.3   The registry does not include information about type 2 retailers. That is because type 2 retailers are not required to provide information to the registry, and traders are not required to advise the registry manager if any type 2 retailers have the customer contracts at ICPs for which the trader is responsible. The only information about ICPs that traders are required to provide to the registry is the information listed in clause 9 of Schedule 11.1 of the Code.

2.2.4   That means that the Authority has no way of knowing whether the retailer supplying a customer with electricity at an ICP is the trader recorded in the registry as being responsible for the ICP, or a type 2 retailer. This difficulty may be compounded by the fact that the Authority believes that most type 2 retailers are not registered as participants.

2.2.5   The fact that the Authority cannot easily identify type 2 retailers does not raise any concerns about type 2 retailers committing events of default. That is because a type 2 retailer cannot commit an event of default to which the retailer default provisions in Schedule 11.5 apply.

2.2.6　　The retail default provisions apply if a retailer commits an event of default under paragraphs (a), (b), (f), or (h) of clause 14.55.　Those paragraphs provide that the following constitute an event of default:

(a)　　the failure of a payer to comply with clauses 14.2 to 14.17 (which relate to prudential security) or to satisfy a call to provide security made by the clearing manager in accordance with clause 14.18(4):

(b)　　the failure of a payer to pay the full amount invoiced to it by the clearing manager in accordance with clauses 14.36 to 14.54:

(f)　　if a payer is or is deemed to be unable to pay its debts as they fall due or is otherwise insolvent

(h)　　termination of a retailer's use-of-system agreement with a distributor because of a serious financial breach if—
　　(i)　　the retailer continues to have a customer or customers on the distributor's local network; and
　　(ii)　　there are no unresolved disputes between the retailer 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 clause 14.55(h) applies.

2.2.7　　A type 2 retailer cannot commit an event of default under paragraphs (a), (b), or (f) because it is not a "payer".　"Payer" is defined in Part 1 of the Code as meaning "*a participant who is a purchaser*" (among other things, none of which are relevant in this context).　"Purchaser" is defined in Part 1 as meaning "*a person who buys electricity from the clearing manager…*".　A type 2 retailer is not a trader that buys electricity from the clearing manager – it buys electricity from other retailers.

2.2.8　　A type 2 retailer cannot commit an event of default under paragraph (h) because type 2 retailers do not have use-of-system agreements with distributors.　Rather, the trader that is recorded in the registry as being responsible for a type 2 retailer's ICPs will have a use-of-system agreement with the distributor(s) on whose networks those ICPs are located.

2.2.9　　The Authority considers that it is unnecessary to amend the Code to provide that the Authority may intervene if a type 2 retailer is unable to pay its debts or is insolvent.　That is because such an event would have no impact on the industry or the wholesale market because type 2 retailers do not purchase electricity from or pay the clearing manager.　Even if a type 2 retailer was unable to pay its debts or became insolvent, the trader responsible for the ICP would still be responsible for paying for electricity consumed at the ICP.　The consequences of the default would be for the trader responsible for the ICP to deal with.

2.2.10   What is of concern to the Authority is that, if a trader commits an event of default under paragraphs (a), (b), (f), or (h) of clause 14.55, the Authority would have no way of knowing whether there are any type 2 retailers that have the customer contracts to supply electricity at any of the defaulting retailer's ICPs.

2.2.11   If the Authority had that information, it would be able to have discussions with any type 2 retailers about what should happen in respect of the relevant ICPs if the event of default is not remedied, and the options available to the type 2 retailer.

2.2.12   If a type 2 retailer was able to enter into an arrangement with another retailer for the other retailer to take over responsibility for the ICPs, the type 2 retailer could advise the Authority of that, and the Authority would be able to ensure that those ICPs were transferred as one lot to the other retailer.

2.2.13   Alternatively, if the type 2 retailer was not able to enter into such an arrangement by the end of the 17th day after the notice of default, the Authority could ensure that all of the type 2 retailer's ICPs were switched to a single recipient retailer, to the extent possible. The type 2 retailer would then only need to enter into discussions with that recipient retailer about entering into an arrangement.

2.2.14   Another option is that the type 2 retailer could itself become a trader, in which case it would be recorded in the registry as being responsible for the ICPs.

2.2.15   However, if the Authority does not know that a type 2 retailer has the customer supply contracts at any of a defaulting retailer's ICPs, and the defaulting retailer remains in default at the end of the 17th day after the notice of default, it is possible that the Authority could assign those ICPs to multiple recipient retailers.

2.2.16   As a result, a type 2 retailer that may have previously had an arrangement with only the defaulting retailer to purchase and on-sell electricity, would need to deal with multiple recipient retailers. Not only would that create extra cost for the type 2 retailer, but it also increases the likelihood that the type 2 retailer would lose its customers, as it may be that each of the recipient retailers would try to enter into an arrangement with the customer.

2.2.17   Another issue that arises if the Authority does not know whether there are any type 2 retailers with customer contracts relates to contract assignments. If, at the end of the 17th day after giving a retailer a notice of default under clause 2 of Schedule 11.5, the retailer has not remedied the event of default, the Authority expects that it will:

(a)   assign the rights and obligations under any customer contracts the retailer has and the associated ICPs to other retailers under clauses 5(2)(a) and (b) of Schedule 11.5

(b)   for any other ICPs (including inactive ICPs), assign the ICPs to other retailers under clause 5(2)(b).

2.2.18   However, the Authority will not want to assign the rights and obligations under any supply contracts that are between a customer and a type 2 retailer. That is because all of the type 2 retailer's customer contracts need to continue to remain in force as between the type 2 retailer and the customer. That is important as the customer has chosen the type 2 retailer to be its retailer either based on the tariff it offers, or some other value add service.

2.2.19   Accordingly, rather than assigning both the rights and obligations under those contracts under clause 5(2)(a), and the ICPs under clause 5(2)(b), the Authority will want only to assign the ICPs under clause 5(2)(b). The customer contracts would not be assigned as they would remain with the type 2 retailer. However, the Authority will only be able to do this if it knows that the retailer with the customer contract at an ICP is a type 2 retailer, rather than the defaulting retailer.

2.2.20   Accordingly, the Authority is proposing to amend clause 9(1) of Schedule 11.1 of the Code. For each ICP at which a trader trades electricity, the trader will be required to advise the registry of the participant identifier of the retailer that has the contract to supply the customer at the ICP. If the trader at the ICP is also the retailer, the trader would provide its own participant identifier to the registry. It is proposed that the retailer field in the registry would only be visible to the trader currently responsible for the ICP. The Authority would have the ability to run reports on this field for the Authority's use in the event of a retailer default.

2.2.21   The Authority recognises that some type 2 retailers may not have participant identifiers. Accordingly, the Authority is proposing to amend clause 15.39 of the Code to provide that if a trader is required to provide a retailer's participant identifier to the registry, and the retailer does not have one, the trader must apply to the Authority for a participant identifier for the retailer. If the Authority assigns the retailer a participant identifier, the trader must notify the retailer of that identifier.

2.2.22   The Authority is also proposing to amend the Code to provide that if a trader defaults, the Authority must advise each type 2 retailer (that is recorded in the registry) that has customer contracts at any of the relevant ICPs of the event of default. That is provided for in the proposed new subclause 4(3) of Schedule 11.5, which applies if a retailer commits an event of default, and there is a type 2 retailer that has the supply contract at any of the ICPs for which the defaulting retailer is responsible. If subclause (3) applies, the Authority must attempt to advise the type 2 retailer that:

(a)   the defaulting trader has committed an event of default

(b)   the retailer should enter into a contract for the purchase of electricity with another trader, or become a trader itself within the next 14 days

(c)   if the retailer fails to enter into a contract with another trader or become a trader within 14 days after the notice under clause 2(1) is given, the Authority may assign the ICPs for which the defaulting trader is recorded in the registry to a trader under clause 5.

2.2.23   As a consequence of the proposed insertion of a new subclause (3) in clause 4, the Authority also proposes to amend subclause (2) of clause 4 to make it clear that it applies only in respect of ICPs at which the defaulting trader has the customer supply contract.

Issue 2 - "Trader" default rather than "retailer" default

2.2.24   In identifying the above issues relating to type 2 retailers, it has come to the Authority's attention that the retail default provisions are incorrectly targeted at retailers.

2.2.25   As set out in paragraphs 2.2.2 to 2.2.23, a retailer that is not also a trader cannot commit an event of default. Accordingly, it is unnecessary to require a retailer that is not also a trader to amend its customer contracts as set out in clauses 11.15B. It is also unnecessary to require a retailer that is not also a trader to comply with clause 11.15C or any of the requirements in Schedule 11.5. Only traders need to be required to comply with those requirements.

2.2.26   Accordingly, the Authority is proposing to amend paragraph (e) of clause 11.1 (Contents of Part 11), clauses 11.15B and 11.15C, and the provisions in Schedule 11.5 so that all references to "retailers" and retailer events of default are replaced with references to "traders" and trader events of default. The Authority is similarly proposing to amend paragraph (h) of clause 14.55 to that it refers to a "trader's use-of-system agreement", rather than a "retailer's use-of-system agreement".

2.2.27   In light of this proposed change, all of the paragraphs below refer to "trader default" rather than "retailer default", even though the current Code provisions still refer to "retailer default".

2.2.28   A consequence of the proposed change is that the term "retailer" will no longer appear in Part 11. It is therefore unnecessary for paragraph (b) of the definition of "retailer" to include a reference to Part 11. Accordingly, the Authority is proposing to amend paragraph (b) of the definition of retailer so that it does not apply in respect of Part 11. The proposed amendment to the definition is set out below:

retailer means as follows:

(a)   except as provided in paragraphs (b) and (c), a **participant** who supplies **electricity** to another person for any purpose other than for resupply by the other person:

     (b)   in Parts 1 (except for the definition of specified participant), 8, ~~and~~ 10<ins>, and 12 to 15</ins>, a **participant** who supplies **electricity** to a **consumer** or to another **retailer**:

     (c)   in subpart 4 of Part 9, the **retailer** defined in paragraph (a) who is recorded by the **registry manager** as being responsible for the **ICP** described in clause 9.21(1)(b).

Issue 3 - Information about ICPs at which traders cannot trade

2.2.29   Under clause 5(2) of Schedule 11.5 the Authority is able to assign the contracts and ICPs of defaulting traders to other traders. The Authority recognises that some traders are unable to trade at NSPs or ICPs with certain attributes, and that a trader will breach the Code if it accepts responsibility for certain ICPs. That could be because:

     (a)   the trader does not have an arrangement with the distributor on whose network the ICPs are located

     (b)   the trader cannot trade at ICPs because of the type of meter at each ICP, which could be half hour, non-half hour or prepay

     (c)   the trader cannot trade at ICPs with certain price category codes

     (d)   the trader cannot trade at ICPs with metering installations of certain categories

     (e)   the trader cannot trade at ICPs with certain installation types (B, L, or G).

2.2.30   Accordingly, the Authority is proposing to amend the Code by inserting a new clause 11.15D, which require traders to provide information about NSPs and ICPs at which they cannot trade for specified reasons. For all traders that are currently participants, the information must to be provided to the Authority 20 business days after the Code amendments come into force (proposed clause 11.15D(2)). For all persons that become traders after the Code amendments come into force, the information must be provided 20 business days after the date on which the person became a trader (proposed clause 11.15D(3)). The functional specification for provision of information about ICPs at which a trader cannot trade has been provided as Appendix C. This functional specification describes the manner by which information should be provided to the registry.

2.2.31   It is also proposed that the Code will be amended to require traders to update the information when required to do so by the Authority (proposed clauses 11.15D(4) and (5)). If a trader commits an event of default, the Authority may at that time require traders to update the information, so that if the Authority has to assign the defaulting trader's ICPs to other traders, it has the information it will need to make a decision about which ICPs to assign to which traders.

2.2.32   The Authority is also proposing to amend the Code to provide that a trader that is assigned an ICP does not breach the following requirements for the first 20 business days after the assignment:

(a)   the requirement in clause 10.24(a) of the Code to ensure there is at least 1 metering installation at the ICP

(b)   the requirements in clause 11.16 to ensure that it or its customer has made any necessary arrangements for the provision of line function services in relation to the ICP, and to have entered into an arrangement with a metering equipment provider to be responsible for the metering installation at the ICP.

2.2.33   The Authority considers that 20 business days should be a sufficient amount of time for a trader that is assigned an ICP by the Authority to ensure that the above requirements are complied with.

2.2.34   The proposed new clause 11.15D is set out below:

11.15D Trader to provide information about NSPs and ICPs at which it cannot trade

*(1)   Each **trader** must provide information to the **registry manager** that describes—*

*(a)   the **NSPs** at which the **trader** cannot trade because it does not have an arrangement with the relevant **distributor** on whose network the **NSPs** are located to trade at the **NSP**; and*

*(b)   the **ICPs** at which the **trader** cannot trade for any of the following reasons:*

*(i)   the type of each **meter** at the **ICPs** (for example, **half hour,** non **half hour** and prepay):*

*(ii)   the **price category code** assigned to the **ICPs**:*

*(iii)   the **metering installation** category of the **metering installation** at the **ICPs**:*

*(vi)   the **installation type** code assigned to the **ICPs**; and*

*(c)   the reasons for the **trader** being unable to trade at the **NSPs** or **ICPs**.*

*(2)   If a **participant** is a **trader** on [insert the date from which this clause applies], the **trader** must provide the information specified in subclause (1) no later than 20 **business days** after that date.*

*(3)   If the **participant** becomes a **trader** after [insert the date from which this clause applies], the **trader** must provide the information specified in subclause (1) no later than 20 **business days** after the date on which it became a **trader**.*

*(4)   If the **Authority** gives a notice to a **trader** under clause 4 of Schedule 11.5, the **Authority** must notify each **trader** that it must update the information provided under subclause (1) no later than [1600] on the **business day** following the day on which the notification was given.*

*(5)   A **trader** must comply with a notice given to it under subclause (4).*

Issue 4 - Customer information

2.2.35   If a trader commits and event of default, the Authority may request customer information from the defaulting trader under clause 2(2) of Schedule 11.5. However, the Authority recognises that there is no guarantee that the trader in default will want to or be in a position to provide that information to the Authority.

2.2.36   The provision of customer information to a trader that is assigned customer contracts is important, as the trader will need that information to efficiently locate and contact its new customers. This will allow the trader to ensure that, among other things, the customer is aware that the trader is its new retailer, has appropriate metering, and is billed correctly.

2.2.37   Table 1 shows the estimated at risk revenue that a trader may incur if customer information is not provided by the defaulting trader.

Table 1 Estimated at risk revenue if customer information not provided by defaulting trader

Total ICPs in default	*kWh per year	*2014 c/kWh	Annual cost	Average monthly cost	Total monthly revenue at risk	Retailer type
1000	8000	$27.59	$2,206.93	$183.91	$183,910.94	Small
20,000	8000	$27.59	$2,206.93	$183.91	$3,678.218.79	Medium
70,000	8000	$27.59	$2,206.93	$183.91	$12,873,765.75	Large
450,000	8000	$27.59	$2,206.93	$183.91	$82,759,922.70	Very large

*kWh per year and per c/kWh is based on MBIE's residential sales-based electricity prices March year 2002 to March year 2014.

2.2.38   With an average of $184 of at risk revenue per month per residential customer, traders collectively may be unable to recover, or have delays in recovering, in each month period between $183,000 (for a default by a small trader) and $82.8 million (for a default by a very large trader).

2.2.39   To ensure that customer information is provided, the Authority is proposing to amend subclause 9(1) of Schedule 11.1 of the Code by adding a new paragraph (jb) that requires that, for each ICP at which a trader trades electricity, the trader

must advise the registry of each of the following customer details that are known to the trader:

(a) the name of the customer

(b) the postal address of the customer

(c) the email address of the customer

(d) the phone number of the customer.

2.2.40 Any customer information provided to the registry in accordance with the proposed new paragraph (jb) would be securely stored and provided to the Authority and recipient traders in the event of a trader default situation. Such disclosure should be permitted by each trader's customer contracts, as clause 11.15B(1)(d) requires that the terms of each customer contract permit the trader to provide information about the customer to the Authority and for the Authority to provide the information to another trader if required under Schedule 11.5. The registry manager would have to comply with the Privacy Act 1993 and the information privacy principles in the Act in respect of the collection, storage, use, and disclosure of the customer information.

2.2.41 The Authority proposes that the format for providing customer details to the registry be the file format currently set out in Electricity Information Exchange Protocol 4 (EIEP 4). That file format is known to traders, and many traders may already be using the file format. The proposed draft file format is attached as Appendix D. It is not proposed that EIEP 4 be made mandatory.

2.2.42 There are two ways in which customer information could be provided by traders and held by the registry, and the Authority welcomes submissions on submitters' preferred option:

(a) Option 1: The information could be held in the registry itself, in fields that are only visible to the trader currently responsible for the ICP. The trader would have 20 business days from the date on which it becomes responsible for an ICP in which to update the information in the registry (proposed clause 9(2A) of Schedule 11.1). If the information changes, the trader would have 20 business days to provide the amended customer details to the registry (proposed amendment to clause 10 of Schedule 11.1). This option is reflected in the proposed Code amendments set out in Appendix A.

(b) Option 2: The information could be held in a secure location stored by the registry, but separate from the registry. The trader would provide this information to the registry on the first business day of each month (proposed new clause 2B of clause 9 of Schedule 11.1). This option is reflected in the proposed Code amendments set out on the final two pages of Appendix A.

2.3 Why the Authority is addressing these issues now

2.3.1 The Authority is proposing to amend the Code to ensure that if there is a trader event of default:

   (a) the Authority knows whether any type 2 retailers have the customer supply contracts at the ICPs for which the defaulting trader is responsible, so it is properly able to manage trader events of default, and so that affected type 2 retailers are in the best possible position to retain their customers after an event of default

   (b) the Authority is aware of any reasons why traders may not be able to trade at ICPs when making a decision on assigning customer contracts and ICPs to other traders

   (c) the Authority has the contact details of the defaulting trader's customers, so that the traders assigned those customers are able to contact them.

2.3.2 The Authority also proposes to replace references to "retailers" with references to "traders" in Part 11 (and clause 14.55) to make it clearer that the default provisions are concerned with traders, not retailers.

Question 1	Do you agree with the issues identified by the Authority? Please give reasons.
Question 2	Do you have any comments on the functional specification provided in Appendix C for issue 3: information about ICPs at which traders cannot trade?
Question 3	Which option would you prefer (option1 or option 2) if providing customer information to the registry? Please give reasons.
Question 4	Do you have any comments on the proposed draft format for providing customer information in Appendix D?

3. Regulatory Statement for the proposed amendment

3.1 Objectives of the proposed amendment

3.1.1 The Authority considers that the existing arrangements for managing a trader default event are not sufficient to ensure that such events are managed without financial loss to the industry or disruption to consumers.

3.1.2 Accordingly, the Authority proposes to amend the Code to achieve the following objectives:

(a) ensure that the Authority can properly and efficiently manage trader events of default

(b) ensure that if a trader commits an event of default, any type 2 retailers that have arrangements with that trader are in the best possible position to retain their customers despite the trader's event of default

(c) ensure that retailers who are not able to commit events of default because they are not traders are not required to comply with the trader default provisions

(d) the Authority is aware of any reasons why traders may not be able to trader at ICPs when making a decision on assigning customer contracts and ICPs to other traders

(e) the Authority has the contact details of the defaulting trader's customers, so that the traders assigned those customers are able to contact them.

> Question 5 Do you agree with the objectives of the proposed amendment? Please give reasons.

3.2 The proposed amendment

3.2.1 The drafting of the proposed amendment is contained in Appendix A.

3.2.2 It is proposed that the amendment comes into force in the middle of 2015. However, it is likely that the dates on which various provisions apply will be different, so that:

(a) traders will not be required to provide information about NSPs and ICPs at which they cannot trade under the proposed new clause 11.15D until 6 months after the amendments come into force, so by early 2016;

(b)   traders will not be require to provide customer contact details to the registry in accordance with the proposed new clause 11.9(1)(jb) of Schedule 11.1 until 12 to 18 months after the amendments comes into force, so by mid to late 2016.

> Question 6   Do you agree with the proposed implementation timeframes for the proposed amendment? If not, why not?

3.3   The proposed amendment's benefits are expected to outweigh the costs

3.3.1   The Authority's cost benefit analysis has identified that the cost to each trader of implementing the proposed amendments would be between $71,000 and $236,000. The cost to the Authority would be between $113,000 and $173,000. A breakdown of the costs is set out in Appendix E.

3.3.2   The biggest cost that each trader will incur is the cost of updating its system to include information about the retailer and when providing information to the registry about an ICP for which it is responsible, providing the participant identifier of the retailer at the ICP. Another significant cost to traders is the cost of the system updates necessary for the trader to provide customer contact details to the registry.

3.3.3   However, as demonstrated in the Authority's original consultation paper 'Arrangements to manage a retailer default situation', the proposed benefits are expected to exceed the costs for the following reasons:[2]

(a)   all customers would be transferred to a viable retailer with no loss of supply, enhancing the reliability of the electricity service as experienced by the consumer

(b)   the prospect of retailers under-pricing risk to gain market share would be reduced because such behaviour would risk the loss of their customer base in the event of a default, and hence reduce inefficient competition and lower the probability of default

(c)   capping the loss to generators and distributors would reduce inefficient searching for, and implementation of, other instruments to mitigate the risk of financial loss

(d)   a lower probability of default and a cap on the potential loss lowers entry costs, in particular for non-vertically-integrated generators, increasing

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[2]   'Arrangements to manage a retailer default situation' consultation paper dated 18 June 2013 is on the Authority's website at http://www.ea.govt.nz/development/work-programme/retail/managing-retailer-default-situations-/consultations/#c8044.

competition and ultimately increasing downward pressure on wholesale prices

(e) traders would face less uncertainty over what costs they would face in entering or expanding should another retailer default, increasing (efficient) competition at a retail level.

3.3.4 Attached in Appendix E are tables that show:

(a) the estimated costs of the proposed Code amendment to the trader default provisions, and describes the nature of the expected benefits

(b) the cost that would be incurred by traders if they had to invest time and money in trying to contact customers if customer contact details were not able to be provided to traders at the time of the assignment of a defaulting trader's customers and ICPs.

Question 7	Do you agree the benefits of the proposed amendment outweigh its costs? Please give reasons.
Question 8	Do you agree with the Authority's assessment of costs in Appendix E? Please give reasons.

3.4 Alternative to the proposed amendment is retaining the status quo

3.4.1 The Authority has identified that, with the exception of one other alternative, the alternative to the proposed amendment is to retain the status quo. The status quo alternative is that:

(a) the Code will not provide a mechanism for the Authority to identify type 2 retailers

(b) the Code provisions will continue to apply to some retailers who cannot commit events of default because they are not traders

(c) the Authority will be unable to require traders to provide information about ICPs at which they cannot trade, and may need to assign ICPs to traders despite not having that information

(d) the registry will not hold information about the customer at an ICP, which means that if the trader responsible for the ICP commits an event of default that it is unable to remedy, the Authority will be able to identify the defaulting trader's customers only if the defaulting trader provides that information to the Authority.

3.4.2 The Authority has considered another alternative that relates to paragraph (c) above, which relates to the traders providing information about ICPs at which they

cannot trade. The Authority has considered whether the Code should be amended to:

(a) require each trader to provide information about NSPs and ICPs at which it can trade, rather than information about the NSPs and ICPs at which it cannot trade; or

(b) require that each trader provide either information about the NSPs and ICPs at which it can trade, or information about the NSPs and ICPs at which it cannot trade.

3.4.3 Although the cost to traders and the Authority for traders to provide information about NSPs and ICPs at which it cannot trade is similar to those for traders to provide information about NSPs and ICPs at which it can trade, the Authority considers that the former is the better option. This is because:

(a) when providing information about NSPs and ICPs at which a trader can trade:

   (i) the trader would be required to provide every possible combination of ICP attributes that the trader could accept

   (ii) if the trader neglected to correctly populate every possible combination of ICP, that trader would not receive some ICPs during assignment by the Authority

   (iii) if the trader incorrectly populated the table with ICPs it could not trade on, the trader would receive those ICPs that it could not trade and may pose a serious threat to its financial viability.

3.4.4 Accordingly, the Authority does not consider this alternative to be a viable alternative.

3.5   The proposed amendment is preferred to other options

3.5.1 The Authority has evaluated the other means for addressing the objectives.

3.5.2 As set out in paragraph 3.3, the benefits of the proposed amendment outweigh the costs of the amendment. The costs of the amendment reflect the costs of retaining the status quo. Accordingly, the proposed amendment is preferred to the status quo.

Question 9	Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.

3.6 The proposed amendment complies with section 32(1) of the Act

3.6.1 Table 2 (below) demonstrates how the proposal complies with section 32(1) of the Act.

Table 2: How proposal complies with section 32(1) of the Act

Requirement	Comment
The proposed amendment is consistent with the Authority's objective under section 15 of the Act, which is to promote competition in, reliable supply by, and the efficient operation of, the electricity industry for the long-term benefit of consumers.	The proposed amendment is consistent with the Authority's objective under section 15 of the Act to promote competition in and the efficient operation of the electricity industry for the long-term benefit of consumers
The proposed amendment is necessary or desirable to promote any or all of the following:	
(a) competition in the electricity industry;	The proposed amendment will not materially affect competition in the electricity industry
(b) the reliable supply of electricity to consumers;	The proposed amendment will ensure the trader default provisions, including the customer transfer process, works effectively in the event of trader default
(c) the efficient operation of the electricity industry;	The proposed amendment will ensure the trader default provisions, including the customer transfer process, works effectively in the event of trader default
(d) the performance by the Authority of its functions;	The proposed amendment will ensure that the Authority is more efficiently able to manage trader defaults in accordance with the provisions set out in Part 11 of the Code, but otherwise will not materially affect the performance of the Authority

(e) any other matter specifically referred to in this Act as a matter for inclusion in the Code.	The proposed amendment will not materially affect any other matter specifically referred to in the Act for inclusion in the Code

> Question 10 Do you agree the Authority's proposed amendment complies with section 32(1) of the Act?

3.7 The Authority has given regard to the Code amendment principles

3.7.1 When considering amendments to the Code, the Authority is required by its Consultation Charter[3] to have regard to the following Code amendment principles, to the extent that the Authority considers that they are applicable. Table 3 (below) describes the Authority's regard for the Code amendment principles in the preparation of the proposal.

Table 3: Regard for Code amendment principles

Principle	Comment
1. Lawful	The proposal is lawful, and is consistent with the statutory objective (see section 3.6) and with the empowering provisions of the Act.
2. Provides clearly identified efficiency gains or addresses market or regulatory failure	The efficiency gains are set out in the evaluation of the costs and benefits (section 3.3).
3. Net benefits are quantified	The extent to which the Authority has been able to estimate the efficiency gains is set out in the evaluation of the costs and benefits (section 3.3).

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3   The consultation charter is one of the Authority's foundation document and is available at:: http://www.ea.govt.nz/about-us/documents-publications/foundation-documents/

Appendix A   **Proposed amendment**

> Question 11 Do you have any comments on the drafting of the proposed amendment?

Appendix B   **Format for submissions**

Submitter	

Question	Comment
Question 1 Do you agree with the issues identified by the Authority? Please give reasons.	
Question 2 Do you have any comments on the functional specification provided in Appendix C for issue 3: information about ICPs at which traders cannot trade?	
Question 3 Which option would you prefer (option1 or option 2) if providing customer information to the registry? Please give reasons.	
Question 4 Do you have any comments on the proposed draft format for providing customer information in Appendix D?	
Question 5 Do you agree with the objectives of the proposed amendment? Please give reasons.	
Question 6 Do you agree with the proposed implementation timeframes for the proposed amendment? If not, why not?	
Question 7 Do you agree the benefits of the proposed amendment outweigh its costs? Please give reasons.	
Question 8 Do you agree with the Authority's assessment of costs in Appendix E? Please give reasons.	
Question 9 Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.	

Question	Comment
Question 10 Do you agree the Authority's proposed amendment complies with section 32(1) of the Act? Question 11 Do you have any comments on the drafting of the proposed amendment?	

Appendix C   **Functional specification**

Appendix A – RD-020 Trader ICP Exclusion List

Sub-process:	**RD-020 Maintain Trader ICP Allocation Exclusion List**
Process:	Mandatory transfer of ICPs
Participants:	Traders, Authority
Code references:	Schedule 11.5
Dependencies:	

Description:
During a Retailer Default situation the Registry may be required by the Authority to perform mandatory allocation of ICPs not allocated to Traders during the tender process.
In this process, Traders maintain an allocation exclusion list that contains filters that the Trader requires to be used to exclude ICPs from their mandatory allocation.
In the mandatory allocation process, before allocating an ICP to a Trader, the system will check the Traders allocation exclusion list. If there is an entry (row) where all the filters match, the ICP will be excluded from being allocated to the Trader. Where a filter allows multiple values, only one of these values is required to match.
An allocation exclusion list provides Traders with the ability to avoid ICPs they are unable to accept, or that would pose a serious threat to their financial viability.
Where ICPs are unable to be allocated due to Traders exclusion tables, the Authority may allocate remaining ICPs as necessary.

Business requirements:
1. Only Traders must be able to maintain allocation exclusion lists.
2. Traders must only be able to maintain their own allocation exclusion list.
3. Traders must be able to view and download their exclusion list online.
4. The Authority must be able to view and download exclusion lists for any Trader online.
5. Traders must only be able to update their exclusion list in batch mode.
6. When Traders update their exclusion list they must provide a complete set of exclusion criteria.

Data inputs:

Allocation exclusion list.
Each attribute on an input line is comma separated.

Attribute Name	**Format**	**Mandatory /optional**	**Description**
Record Type	Char 3	M	Must be "DET"
Reason Code	Char 3	M	Valid Retailer Default Exclusion Code
Reason Description	Char 250	M/O	Free format text. Mandatory if Reason Code is "OTH".

Distributor	Char 4	M	Distributor Participant identifier. Must be valid in the distributor role as at today's date.
POC	Char 7	O	Valid POC. In combination with the Distributor must exist in the NSP Mapping table.
Meter Types	Char	O	Space separated. Any combination of HHR, NHH, PP or UML.
Price Category Codes	Char	O	Space separated. Must be a valid Price Category Code for the Distributor.
Highest Meter Installation Category	Char	O	Space separated. Any combination of 1, 2, 3, 4, 5, 9.
Installation Type	Char	O	Space separated. Any combination of L, G, B.

File examples:
HDR,RQEXCLTBL,RETA,RGST,16/06/2014,15:36:36,1,maintain RETA exclusions
DET,DIA,,NETA
Meaning:
Do not allocate ICPs where current Distributor is NETA

HDR,RQEXCLTBL,RETA,RGST,16/06/2014,15:36:36,1,maintain RETA exclusions
DET,DIA,,NETB,ABC0011
Meaning:
Do not allocate ICP's where current Distributor is NETB **AND** POC is ABC0011

HDR,RQEXCLTBL,RETA,RGST,16/06/2014,15:36:36,6,maintain RETA exclusions
DET,MTR,,NETB,ABC0022,NHH PP,
Meaning:
Do not allocate ICPs where current Distributor is NETB **AND** POC is ABC0022 **AND** (ICP NHH flag = Y **OR** PP flag = Y)

HDR,RQEXCLTBL,RETA,RGST,16/06/2014,15:36:36,1,maintain RETA exclusions
DET,MTR,,NETB,ABC0022,HHR,,5
Meaning:
Do not allocate ICPs where current Distributor is NETB **AND** POC is ABC0022 **AND** ICP HHR flag = Y **AND** Highest Meter Category = 5

HDR,RQEXCLTBL,RETA,RGST,16/06/2014,15:36:36,1,maintain RETA exclusions
DET,PC,,NETB,ABC0033,,PCAT1 PCAT2
Meaning:
Do not allocate ICPs where current Distributor is NETB **AND** POC is ABC0033 **AND** (Price Category Code = PCAT1 **OR** Price Category Code = PCAT2)

HDR,RQEXCLTBL,RETA,RGST,16/06/2014,15:36:36,2,maintain RETA exclusions
DET,MTR,,NETB,ABC0044,NHH HHR PP,PCAT1 PCAT2,4 5 9
DET,INT,,NETB,,,PCAT9,,G B
Meaning:
Line1:
Do not allocate ICPs where current Distributor is NETB **AND** POC is ABC0044 **AND** (ICP NHH flag = Y **OR** ICP HHR flag = Y **OR** ICP PP flag = Y) **AND** (Price Category Code = PCAT1 **OR** Price Category Code = PCAT2) **AND** (Highest Meter Category = 4 **OR** Highest Meter Category Code = 5 **OR** Highest Meter Category = 9)
Line 2:
And do not allocate ICPs where current Distributor is NETB **AND** (Price Category Code = PCAT9) **AND** (ICP Installation Type = G **OR** ICP Installation Type = B)

Processing:

System:
1. Validates that the participant is a Trader (active in the role and not in default) as at today's date.
2. Validates the data inputs and if no errors are found, removes the participant's current exclusions, and creates a new set of exclusion rules.
3. Reports results to the participant.

Data outputs:

Updated allocation exclusion table.

Each attribute on an output line is comma separated. Multiple attribute values are space separated.

Name	Format	Description
Input line	Char	Input line as supplied by participant
Result code	Numeric	Result of update • 000 – successful update, else • error code
File example – based on the data inputs examples and as if they had been input in a single file: HDR,RSEXCLTBL,RGST,RETA,16/06/2014,15:36:36,6,maintain RETA exclusions DET,DIA,,NETA,000 DET,DIA,,NETB,ABC0011,000 DET,MTR,,NETB,ABC0022,NHH PP,000 DET,PC,,NETB,ABC0033,HHR PP,PCAT1,000 DET,INT,,NETB,ABC0044,NHH HHR PP,PCAT1 PCAT2,4 5 9,000 DET,PC,,NETB,,,PCAT9,,,000		

Sub-process:	**SD-020 Maintain static data**
Process:	Maintain static data
Participants:	Registry Manager
Code references:	Clauses 19 to 22 of Schedule 11.3 of the Code.
Dependencies:	

Description:

All the codes and identifiers used in the registry are maintained by the registry manager. The registry manager receives instructions regarding the maintenance of these codes and identifiers from the Authority, which approves all new codes and identifiers. The types of codes and identifiers to be maintained and their purposes are as follows:

- Participant identifiers and the roles of each participant (4 characters) – valid Trader, Metering Equipment Providers, Approved Test Houses and Distributor Participant Identifiers, their full company names and their roles.

- Event types (3 characters) – used to validate events.

- Profiles (3 characters) – general list of all Profiles that can be used in the system.

- Profiles available to individual Traders during specific periods.

- Regions (15 characters) – used to validate the regions that can be used in addresses. The current regions are:

  - Auckland;
  - Bay of Plenty;
  - Canterbury;
  - Gisborne;
  - Hawke's Bay;
  - Manawatu;
  - Marlborough;
  - Nelson & Bays;
  - Northland;
  - Otago;
  - Southland;
  - Taranaki;
  - Timaru & Oamaru;
  - Waikato;
  - Wairarapa;
  - Wanganui;
  - Wellington; and
  - West Coast.

- Event Status codes (three digits numeric) – used to validate Status events.

- Status Reason codes (two digits numeric) – used to validate the Status Reason in Status events:

The current reasons associated with a decommissioned Status are:

    01—setup in error;

    02—installation dismantled; and

    03—ICP amalgamation.

The current reasons associated with an inactive Status are:

    04—de-energised vacant property;

    05—reconciled elsewhere;

    06—de-energised ready for decommissioning;

    07—de-energised remotely by AMI meter;

    08—de-energised at pole fuse;

    09—de-energised due to meter disconnected;

    10—de-energised at meter box fuse; and

    11—de-energised at meter box switch and

    12 – New connection in progress

- NT switch types (two characters) – used to validate NT switching protocol messages: S, SM, H, HM, NH, HN, HH, MI and TR. S, SM, H, HM, NH, HN will be discontinued after migration but will remain in historical records.

- TN/NC and CS/RR register content codes (four characters) – used to validate TN, NC, CS and RR switching protocol messages (see below).

- TN/NC and CS/RR register units (five characters) – valid values for TN, NC, CS and RR messages: kWh, kW, kVA, kVArh.

- TN/NC and CS/RR meter location codes – valid values for use in TN, NC, CS and RR messages (see below).

- AN response codes and MN advisory codes (two characters) – used to validate AN and MN switching protocol messages (see below).

- NW withdrawal advisory codes (two characters) – used to validate NW switching protocol messages (see below).

- AW/AC withdrawal response codes (one character) – used to validate AW and AC switching protocol messages: A—accept, R—reject.

- Fuel Type codes (char 15) and Description (char 100):

        bio-mass - bio-mass (includes wastes and residues);
        electric vehicl - electric vehicle (includes fuel cells);
        fresh water - fresh water (includes stored, pumped and run of river);
        geothermal - geothermal;
        industrial proc - industrial process (includes heat, excludes bio-mass);
        liquid fuel - liquid fuel (includes diesel, petrol and fuel oil);
        natural gas -natural gas;
        solar - solar;
        tidal - tidal;

wave - wave;

wind - wind;

other - includes any process that doesn't fit neatly into another category, includes multiple generators of different fuel types; and

undefined - this code exists only to support the creation of the fuel type field and cannot be selected by distributors.

- ANZSIC codes with an additional code "000000" to indicate a residential consumer. A table of :

  ANZSIC Code (char 7)

  Description (char 120)

- Direct Billed Status codes (char 11). A table of 'Retailer', 'Distributor', 'Neither', 'Both', 'TBA' and NULL.

- Reconciliation Type codes (2 characters). Used to validate the Reconciliation Type in Network events. For a list of valid codes see the description of this attribute in section 1.4.

- Installation Type codes (1 character). Used to validate the Installation Type in Network events. For a list of valid codes see the description of this attribute in section 1.4.

- Metering Installation Type codes (3 characters). Used to validate the Metering Installation Type in the Metering Installation level of Metering events. For a list of valid codes see the description of this attribute in section 1.4.

- Certification Type codes (1 character). Used to validate the Certification Type in the Metering Installation level of Metering events. For a list of valid codes see the description of this attribute in section 1.4.

- Certification Variation codes (1 character). Used to validate the Certification Variations in the Metering Installation level of Metering events. For a list of valid codes see the description of this attribute in section 1.4.

- Component Type codes (1 character). Used to validate the Metering Component Type in the Metering Component level of Metering events. For a list of valid codes see the description of this attribute in section 1.4.

- Retailer Default Exclusion Code (3 characters). Describes the reason why a Trader is unable to accept an mandatory assignment of ICPs.

Business requirements:

1. Only the registry manager must be able to add, modify or delete codes.

2. Each code and identifier must have an effective start date and end date associated with it and a full description.

3. The registry must maintain an audit trail for each insert/update/deletion to record who made the change and when.

Processing:

Data inputs:
• New or changed information for each table.

Data outputs:
• Updated static data tables.

Current valid codes

AN response codes

Code	Description	Explanation of use
AA	Acknowledge and accept	Switch is accepted; there are no relevant issues.
CO	Contracted customer	Alerts that this customer has a fixed-term contract at the ICP. The current Trader may be contacting this customer, relative to a switch.
MP	Metering is pre-paid	Alerts that meter is pre-paid.
MU	Unmetered supply	Alerts supply is unmetered.
OC	Occupied premises	Advises that the existing customer has not yet advised they are moving out. The premises are occupied.
PD	Premises de-energised (disconnected)	Alerts that this site is de-energised (disconnected).
AD	Advanced Metering Infrastructure metering infrastructure	Alerts that meter is an advanced meter.

NW withdrawal advisory codes

Code	Description	Explanation of use
CR	Customer requests cancellation	Customer has changed their mind and wishes to cancel.
IN	Invalid ICP Status	Site is in the process of being decommissioned.
UA	Unauthorised switch	Account holder did not authorise switch request.
WS	Wrong switch type	Switch notification received is being withdrawn.
MI	Withdrawn on metering issue	Gaining Trader requests withdrawal because of metering issue.
WP	Wrong premises	The wrong premises have or are being switched.
DF	Date failed	RTD (requested transfer date) greater than 10 business days in the future.
WR	Losing Trader not current Trader	Withdrawn, as the losing Trader is not the current Trader for the ICP. ICP has been switched to another Trader and the registry has not been updated to reflect that switch.
MG	Temporary withdrawal code	Used only during transition to indicate that the switch was withdrawn due to transition requirements.

Register Content codes

Code	Description
AD	kVA demand - KVA MDI
AH	kVAh - cumulative KVA register
CN	Controlled - all load on the register is subject to control via LineCo
D	Day - daytime only
DC	Day register for a fully controlled meter
DOP	Triple Saver Off Peak (1100-1700 2100-2300)
DPK	Triple Saver Peak (0700-1100 1700-2100)
DWD	Day of Week Days (7:00am - 9:00pm)
EG	Embedded Generation
IN	Inclusive - load on the register is a combination of controlled and uncontrolled loads
KD	kW demand - KW MDI
N	Night - night-time only
NC	Night register for a fully controlled meter
NWD	Night of week Days (9:00pm - 7:00am)
OPKOOA	Any Day 22:00 - 06:00, part of a three register tariff. Must be used with PKOOA and SPKOOA
OPKOOB	Weekdays 11:00 - 17:00, 21:00 - 7:00 & Weekend 24 Hours, part of a two register tariff. Must be used with PKOOB
OPKOOC	Any Day 22:00 - 07:00, part of a three register tariff. Must be used with PKOOC and SPKOOC
PKOOA	Weekdays 07:30 - 09:30 & 17:30 - 19:30, part of a three register tariff. Must be used with OPKOOA and SPKOOA
PKOOB	Weekdays 07:00 - 11:00 & 17:00 - 21:00, part of a two register tariff. Must be used with OPKOOB
PKOOC	Weekdays 07:00 - 09:30 & 17:30 - 20:00, part of a three register tariff. Must be used with OPKOOC and SPKOOC
RH	kVArh - reactive meter register
S	Summer - records consumption during summer
SENW	Weekday night (9:00pm - 7:00am Monday - Friday); and All weekend (Friday 9:00pm - Monday 7:00 am)
SEOP	Offpeak (Monday - Friday 11:00am - 5:00pm; and 7:30pm - 9:00pm)
SEPK	Peak (Monday - Friday 7:00am - 11:00am; and 5:00pm - 7:30pm)

Code	Description
SPKOOA	Weekdays 06:00 - 07:30, 09:30 - 17:30, 19:30 - 22:00 & Weekend 06:00 - 22:00, part of a three register tariff. Must be used with OPKOOA and PKOOA
SPKOOC	Weekdays 09:30 - 17:30, 20:00 - 22:00 & Weekend 07:00 - 22:00, part of a three register tariff. Must be used with OPKOOC and PKOOC
SRD	Summer Day – Records day consumption during summer
SRN	Summer Night – Records night consumption during summer
SWD	Summer weekday - records consumption during summer weekdays
SWDD	Summer weekday day - records day consumption during summer weekdays
SWDN	Summer weekday night - records night consumption during summer weekdays
SWDPK	Standard 3 Rate Weekday Peak Summer (0700-11001700-2100) 3 step rate
SWE	Summer weekend - records consumption during summer weekends
SWED	Summer weekend day - records day consumption during summer weekends
SWEN	Summer weekend night - records night consumption during summer weekends
UN	Uncontrolled - no load on the register is subject to control via the load control device
W	Winter - records consumption during winter
WD	Weekday - records consumption during weekdays
WDD	Weekday day (Mon-Fri). Records day consumption during weekdays. Non seasonal equivalents of SWDD and WWDD (Summer and Winter weekday daytime)
WDOP	Standard 3 Rate Weekday Off Peak (1100-1700 2100-2300) & Weekend Off Peak (0700-2300)
WE	Weekend - records consumption during weekends
WED	Weekend day. Records day consumption during weekends. Non seasonal equivalents of SWED and WWED (Summer and Winter weekend daytime)
WRD	Winter Day – Records day consumption during winter
WRN	Winter Night – Records night consumption during winter
WWD	Winter weekday - records consumption during winter weekdays
WWDD	Winter weekday day - records day consumption during winter weekdays
WWDN	Winter weekday night - records night consumption during winter weekdays
WWDPK	Standard 3 Rate Weekday Peak Winter (0700-11001700-2100) 3 step rate
WWE	Winter weekend - records consumption during winter weekends
WWED	Winter weekend day - records day consumption during winter weekends
WWEN	Winter weekend night - records night consumption during winter weekends
7302	30 minute recorded channel kVAh

Code	Description
7304	30 minute recorded channel kWh
7306	30 minute recorded channel kVArh
7052	5 minute recorded channel kVAh
7054	5 minute recorded channel kWh
7056	5 minute recorded channel kVArh

Meter Location Codes

Code	Description
0	No ML code
BA	BASEMENT
BD	BACK DOOR
BG	BACK OF GARAGE
BO	BOILER ROOM
BP	BACK PORCH
BR	IN BEDROOM
BS	BACK OF SHED
BW	BACK WALL
CM	CENTRAL MTR
CP	CAR PORT
CS	DAIRY SHED
CT	CELL TOWER
DE	INST DISCON@ POLE
DR	DRIVEWAY SIDE
DS	DEER SHED
FB	UNDER FRONT BALCO
FC	FW OF GARAGE
FD	FRONT DOOR
FF	FIRST FLOOR
FG	FRONT GATE
FO	FOYER
FP	FRONT PORCH
FS	IMPLMENT SHED
FW	FRONT WALL
GF	GROUND FLOOR
GH	GLASS HOUSE
GO	GO TO OFFICE

Code	Description
GW	GARAGE WALL
IB	INSIDE BACK DOOR
IC	INSIDE IN CUPBOARD
ID	IN DINING ROOM
IF	INSIDE FRONT DOOR
IG	INSIDE GARAGE
IH	INSIDE HALL
IK	INSIDE KITCHEN
IL	INSIDE LIVING ROOM
IM	IN MONTROSE BOX
IN	INSIDE
INP	IN PORCH
IO	INSIDE OFFICE
IP	IN PUMP SHED
IR	INSIDE REAR
IS	INSIDE STORE
ISD	IN SHED
IT	IN TRANSFORMER
IW	IN WORKSHOP
LA	LAUNDRY
LB	LEFT BACK
LF	LEFT ON FRONT
LG	LH ON GARAGE
LP	LEFT PORCH
LR	IN LUNCH ROOM
LS	LEFT SHED
LW	LEFT WALL
MC	IN CUBICLE
ME	MAIN ENTRANCE
ML	MULTIPLE LOCATION
MM	MOTOR ROOM
MR	UP RIGHT OF WAY
MT	IN MEN'S TOILET
MX	METER ROOM
NM	NOT METERED
OC	OUTSIDE CUPBOARD
OF	ON FENCE

Code	Description
OH	ON HOUSE
OM	ON MONTROSE BOX
OMB	ON MAIN SW/BOARD
OP	ON PUMP SHED
PB	POLE BOX
PD	PUMP IN OLD DAIRY
PF	PLYNTH ON FENCE
PL	IN PLYNTH
PM	PUMP
PS	PACKSHED
RB	RIGHT BACK
RF	RH ON FRONT
RG	RH ON GARAGE
RM	REMOTE METER
RO	REAR OF OFFICE
RP	RIGHT PORCH
RS	REAR SHED
RT	READ THRU WINDOW
RU	ON REAR UNIT
RW	RIGHT WALL
SA	SAME
SB	STABLE
SH	SHED
SQ	SHEARERS QUARTERS
SR	IN SWITCH ROOM
SS	WOOL SHED
ST	SUB STATION
TR	TRANSFORMER RM
TS	IN TEMP SUP BOX
UP	UPSTAIRS
US	UNDER STAIRWAY
UT	UNDER TREE
WH	WHISPER CABINET
WS	WORKSHOP

Retailer Default Exclusion Codes

Code	Description	Explanation of use
DIA	Distributor Agreement	There is no arrangement in place with the Distributor to trade on that NSP
FV	Financial Viability	Obtaining responsibility for ICP's may pose a serious threat to financial viability
MTR	Meter Types	The Trader is unable to trade against the Meter Type (HHR, NHH, PP or UML)
PC	Price Category Codes	The Trader is unable to trade against the Distributor Price Code category
MC	Metering Installation Category	The Trader is unable to trade against the Meter Category
INT	Installation Type	The Trader is unable to trade against this installation Type (L, G, or B)
OTH	Other	Used where other codes do not cover a specific situation where a Trader cannot gain ICP's

Appendix D   **Proposed file format for providing customer information to the registry**

Proposed format to provide customer information in the event of a retailer default

Draft format

28 July 2014

Version control

Version	Date amended	Comments
1st draft	3 April 2014	SDFG discussion document.
2nd draft	28 July 2014	Draft for retailer default consultation paper in August 2014.

Contents

1 Customer information in the event of a retailer default situation

Title:	Customer information in the event of a retailer default situation
Version:	1.0
Application:	This protocol applies to a trader to provide specific customer information to the Electricity Authority.
Participants:	Traders to the Authority
Code reference:	Schedule 11.5
Dependencies:	

Description of when this protocol applies
This protocol is used by the traders to provide the Authority with a "snap-shot" of the trader's customer base at a specific point in time. In the event of a retailer default situation, the Authority will distribute the relevant information to each recipient trader that has been assigned an ICP.

Business requirements

1. The information in this protocol will transferred via the EIEP registry hub.
2. This protocol will be used in the timeframes as and when agreed between parties.
3. A trader must use codes that are:
    (a) stipulated in this document, or
    (b) approved and published by the Authority; or
    (c) determined in the registry and reconciliation functional specifications.
4. Information provided in the file will be consistent with the terminology used in the Glossary of Standard Terms published by the Authority.
5. The file must contain all mandatory information, failure to provide the required information will result in the file being deemed as incomplete.
6. Information is to be provided in accordance with the following status codes unless otherwise specified:
    O   Optional
    M   Mandatory where applicable
    C   Conditional - Mandatory if available and required by recipient, otherwise optional
7. For address information the postal address is to be populated with the billing address including PO Box numbers and RD numbers). If the Trader uses the physical installation address as the billing address, then this is to be populated to the postal address fields.
8. When an international address is required the zip codes is to be applied in the post address post code field.

General requirements

General requirements
1. If there are any conflicts between this document and the Code, the Code will take precedence.
2. In general, all participants must provide the Authority with:
(a) accurate information for all points of connection at which they are responsible for the current consumption period
(b) when available, revised information for all points of connection at which they have purchased or sold electricity during any previous consumption period
(c) any additional information requested in respect of any consumption period.
3. It is the responsibility of participants and the Authority to meet the principles of the Privacy Act when exchanging customer details.

Data inputs

Event data	Format	Trader to Atuthority~~Distribut or~~: Mandatory/Option al/Conditional	Validation rules
Header record type	Char 3	M	HDR – indicates the row is a header record type
File type	Char 7	M	Customer Information Listing - CUSIN
~~*Version of EIEP*~~ *Field blank*	~~Num 3.1~~	~~M~~	~~Version of EIEP protocol that is being used for this file.~~
Sender	Char 20	M	Name of sending party. Participant identifier to be used if the sender is a participant.
Sent on behalf of	Char 4	C	Participant identifier of party on whose behalf consumption data is provided.
Recipient Participant identifier	Char 4	M	Valid recipient participant identifier
Report run date	DD/MM/YYYY	M	Date the report is run
Report run time	HH:MM:SS	M	Time the report is run
Unique File identifier	Char 15	M	Number that uniquely identifies the file
Number of detail records	NUM 8	M	Total number of DET records in report

Event data	Format	Trader to Atuthority~~Distributor~~: Mandatory/Optional/Conditional	Validation rules
Report period start date	DD/MM/YYYY	M	Report run start date (inclusive)
Report period end date	DD/MM/YYYY	M	Report run end date (inclusive)
Utility type	Char 1	M	G (Gas) or E (Electricity)
File status	Char 1	M	I = Initial or R = Replacement or X = Replace only those ICPs contained in this replacement file

Event data	Format	Trader to Distributor: Mandatory/Optional/Conditional	Validation rules
Detail record type	Char 3	M	DET – indicates the row is a detail record.
ICP identifier	Char 15	M	ICP identifier means a unique identifier for an ICP created by a distributor in accordance with clause 1 of Schedule 11.1
Customer name	Char 100	M	Legal name or the name of the customer. Multiple names to be concatenated into one field
Phone Number Home	Char 15	C	Home land line phone Number
Phone Number Work	Char 15	C	Number person can be contacted at during business hours.
Phone Number Mobile	Char 15	C	Cell phone number
Fax number	Char 15	C	Fax number
Email address	Char 50	C	Email address
Postal free form	Char 30	C	All postal fields can be Null. But are mandatory if available
Postal address unit	Char 25	C	Sub dwelling number; Level of sub dwelling
Postal address num	Char 25	C	Number issued by government agency or local government authority that identifies a point or location on a street for postal purposes.

Event data	Format	Trader to Distributor: Mandatory/Optional /Conditional	Validation rules
Postal address street	Char 30	C	Official road name issued by government agency or local government authority.
Postal Box/RD	Char 30	C	Number assigned a postal delivery box or rural delivery number.
Postal address suburb	Char 30	C	A bounded locality within a city, town or shire principally of urban character.
Postal address town	Char 30	C	An officially recognised and named population centre, defined within a geographic boundary.
Postal address postcode	Char 30	C	The post code assigned by NZ post (zip code if outside NZ).
Postal address country	Char 30	C	The country for postal information
Event date	DD/MM/YYYY	M	In relation to an ICP, means the date on which an arrangement between a customer and a trader for the supply of electricity at the ICP comes into effect
~~*Disconnection restriction*~~ *Field blank*	~~Char 1~~	~~C~~	~~"Y" for YES or "N" for No for Medically Dependent customers or other critical disconnection restrictions.~~
~~*Medical restriction type*~~ *Field blank*	~~Char3~~	~~C~~	~~MDN if medical dependent customer notified. MDV if medical dependent customer verified.~~
Customer no.	Num 15	C	Trader's customer number. (the identifier that the trader assigns to the customer which remains the same across all the connections for the customer)
Consumer no	Num 15	C	Trader's consumer number defined as the trader's unique ID that links the premises and the consumer. If not available then use null.
Customer Title	Char 20	C	Separated customer title details
Surname	Char 100	C	Separated customer surname details (populate with separated company name(s) if customer includes a company)
First name	Char 100	C	Separated customer first name details

Event data	Format	Trader to Distributor: Mandatory/Optional /Conditional	Validation rules
~~Finalled date~~ *Field blank*	~~DD/MM/YYYY~~	~~C~~	~~In relation to a ICP, means the date on which an arrangement between a customer and a trader for the supply of electricity at the ICP was terminated. For use in incremental files only.~~

Protocol specifications

1. The information is to be provided as a comma delimited text file. Commas are therefore prohibited within fields. For customer names that require separation a tilde character (~) should be used. This is the only provision for the use of a tilde character.

2. Each formatted file will consist of one or more records, with each record being a single line of text as

    (a) a carriage return character and a line feed character combination (ASCII characters 13 and 10) commonly used in Windows based programs, or

    (b) a line feed character (ASCII character 10) commonly used in Unix based programs, or

    (c) a carriage return character (ASCII character 13) commonly used in Mac based programs.

3. Data fields within files are defined using the attributes in the table following these specifications.

4. Matching of file names, code list values, etc, are to be case insensitive.

5. Each data file will contain only one header but may contain any number of detail records.

6. The first record of a file contains 'Header" information followed by zero or more detail lines.

7. The following file naming convention is to be used with this file:

    Sender + Utility Type + Recipient + File Type + Report Month + Report Run Date + UniqueID# (e.g. hhmm run time, or ICP but limited to Char(60)) with an extension of .TXT and with the components concatenated using the underscore character, to assist readability.

    e.g. TRUS_E_UNET_ CUSIN_200007_20000802_1232.TXT

    [Char4_Char1_Char4_   Char7_yyyymm_yyyymmdd_UniqueID.TXT]

Data outputs

2 Table of codes used in ~~EIEP 4~~this protocol

2.1   Table 1 List of attributes to define data fields used in ~~EIEP 4~~ this protocol

Logical format	Data type	Rules	Example
INT (n)	Integer	ASCII representation of an integer number (ie no decimals), no leading zeros, no spaces, a leading "-" if negative (no sign if positive), with 1 to n digits. Numbers only: ASCII characters 48 to 57, and 45 where applicable.	INT (4) 12 -1234
NUM (n.d)	Decimal	ASCII representation of a decimal number (ie a rational number), no spaces, a leading "-" if negative (no sign if positive), with up n digits including up to (n minus d) digits to the left of the decimal place, and up to d digits to the right of the decimal place. For integers, the decimal point is not required. A decimal point on its own must not be used to represent zero (use "0") Trailing zeros are optional. No leading zeros other than when the number starts with "0." Numbers only: ASCII characters 48 to 57, and 45/46 where applicable.	NUM (6.2) 123.45 1234.0 -12.32 NUM (6.3) -0.123 23.987 987.000 8
CHAR (n)	Text	Up to n characters (ASCII characters 32 to 43 and 45 to 126 only). As commas (ASCII character 44) are used as field separators, they must not be used within the field data (it is recommended that any commas found in source data be changed to a semi-colon (ASCII character 59) when files are created. Fields must not contain any leading or trailing spaces.	The quick brown fox
DATE	Date	ASCII format with: Year represented as: — YYYY for century and year Month represented as: — MM to display leading zero Day represented as — DD to display leading zero ASCII format for any separators used	YYYYMMDD e.g. 20050216 DD/MM/YYYY e.g. 16/02/2005

Logical format	Data type	Rules	Example
TIME	Time	ASCII in 24 hour format Hour represented as HH with leading zeros Minutes represented as MM with leading zeros Seconds represented as SS with leading zeros ASCII format for any separators used Note: both NZST and NZDT will be used and will be indicated as necessary	HH:MM:SS e.g. 13:15:01 HH:MM e.g. 13:15
DATETIME	Date/Time	ASCII format with same rules as both Date and Time Data Types	YYYYMMDDHHMMSS e.g. 20050216131501
NULL	Null	Field contains no data	

2.2   Table 2 ASCII character set for use within fields of ~~EIEP 4~~ this protocol

Character	ASCII	Character	ASCII	Character	ASCII
32	Space	64	@	97	a
33	!	65	A	98	b
34	"	66	B	99	c
35	#	67	C	100	d
36	$	68	D	101	e
37	%	69	E	102	f
38	&	70	F	103	g
39	'	71	G	104	h
40	(	72	H	105	i
41	)	73	I	106	j
42	*	74	J	107	k
43	+	75	K	108	l
		76	L	109	m
45	-	77	M	110	n
		78	N	111	o
46	.	79	O	112	p
47	/	80	P	113	q
48	0	81	Q	114	r
49	1	82	R	115	s
50	2	83	S	116	t
51	3	84	T	117	u
52	4	85	U	118	v
53	5	86	V	119	w
54	6	87	W	120	x
55	7	88	X	121	y
56	8	89	Y	122	z
57	9	90	Z	123	{
58	:	91	[	124		
59	;	92	\	125	}
60	<	93	]	126	~
61	=	94	^		
62	>	95	_		
63	?	96	`		

Glossary of abbreviations and terms

Act	Electricity Industry Act 2010
AMI	Advanced Metering Infrastructure
Authority	Electricity Authority
CBA	Cost-benefit analysis
Code	Electricity Industry Participation Code 2010
CSV	Comma separated values
EIEP	Electricity Information Exchange Protocol
FTP	File Transfer Protocol
GIP	Grid injection point
GXP	Grid exit point
ICP	Installation Control Point
kWh	Kilowatt hour
MA	Market Administrator
MUoSA	Model use-of-system agreement
NSP	Network supply point
POC	Point of connection
RM	Reconciliation manager
SDFG	Standing Data Formats Group
UFE	Unaccounted for electricity
UoSA	Use of systems agreement
XML	Extensible mark-up language

Appendix E **Estimated costs and benefits of proposed Code amendment**

E.1   Table 4 sets out the estimated costs of the proposed Code amendment to the trader default provisions, and describes the nature of the expected benefits.

Table 4 Estimated costs and benefits of proposed Code amendment

Proposed amendment	Cost to traders	Cost to Authority	Benefits
Issue 1: type 2 retailers Proposed amendment allows the Authority to identify whether any type 2 retailers have the customer supply contracts at the ICPs for which the defaulting trader is responsible, so it is properly able to manage trader events of default, and so that affected type 2 retailers are in the best possible position to retain their customers after an event of default.	*Including the retailer field in the trader's system:* $50,000 to $100,000 Or *Updating the retailer field via a report uploaded into the registry:* $20,000 to $30,000	*Addition of a retailer field in the registry, with appropriate security and reports:* $50,000	In this instance, the benefit is difficult to quantify. The benefit would be mainly to customers of the type 2 retailer. The customer has chosen the type 2 retailer as its provider either based on tariff or other value added services. If allocated directly to a receiving retailer customers are likely to switch away again. Customers of type 2 retailers would be able to be efficiently transferred to one recipient trader, but will still have a supply contract with the type 2 retailer.
Issue 2: "Trader" default rather than "retailer" default The proposed amendment: • replaces references to "retailers" with references to "traders" in Part 11 (and clause 14.55 • allows 20 business days for a trader to provide compliant metering or reach an agreement with a distributor or metering equipment provider when an ICP is assigned by the	No cost	No cost	Clarifies that only a trader can commit an event of default because only traders purchase electricity from the wholesale market and only traders have use-of-system agreements with distributors. Ensures that a receiving trader has time to become compliant with the Code when an ICP is assigned by the Authority.

Proposed amendment	Cost to traders	Cost to Authority	Benefits
Authority.			

Issue 3: Information about ICPs at which traders cannot trade
 	
The proposed amendment ensures the Authority is aware of any reasons why traders may not be able to trader at ICPs when making a decision on assigning customer contracts and ICPs to other traders.
	Initial population: Cost of deciding what should be included and creation of a csv file: $2,000 to $20,000
	
	Population during an event of default: $2,000
		Registry system changes and functional specification: $23,000	Ensuring the trader does not receive ICPs that the trader cannot trade on when the Authority assigns an ICP would:
			
			• limit the risk that assignment may threaten the trader's financial viability
			
			• ensure the trader is not expending valuable resources managing:
			
			  − non-compliances with the Code during a default situation
			
			  − sites that the trader must now trade.
			
			The Authority would not place traders in a Code breach situation when assigning ICPs.

Issue 3: customer information The proposed amendment ensures the Authority has the contact details of the defaulting trader's customers, so that the traders assigned those customers are able to contact them.	**Cost to build the process to generate the file containing customer information:* $35,000 to $75,000 (including testing) *Cost for complete replacement of the file containing customer information and scheduling for automatic update:* $1,000 Or *Cost to provide changes only in each*	*Cost for keeping customer information in the registry*: $100,000 Or *Cost for keeping the information in a file held by the registry:* $40,000	The trader would receive customer information when assigned an ICP by the Authority which would ensure the trader is not expending valuable resource in trying to contact a potentially large volume of customers. The trader would reduce or eliminate at risk revenue (see table 4) by having actual customer details to be able to bill consumption. The trader would reduce or eliminate the costs of attempting to contact the customer.

Proposed amendment	Cost to traders	Cost to Authority	Benefits
	update to customer information: $20,000 *Set up to use SFTP:* $1,000 *At risk revenue and costs associated with no customer information available:* see table 4		

*The Authority considers that the majority of traders already use this file format (when using EIEP 4) and therefore would not incur the full cost to build the file format.

E.2   The Authority has provided four scenarios when estimating the cost a trader may incur if the trader does not receive customer information from the defaulting trader:

(a)   a small trader with 1,000 ICPs

(b)   a medium trader with 2,000 ICPs

(c)   a large trader with 70,000 ICPs

(d)   a very large trader with 450,000 ICPs.

E.3   The Authority has made several presumptions on the steps a trader may take when attempting to contact a customer that has been assigned by the Authority in a default situation. The trader may attempt to contact its customer by:

(a)   mail-out

(b)   site visit.

E.4   The estimated costs associated with this customer contact process are set-out in Table 5, Table 6 and Table 7 below. The Authority has presumed that the trader:

(a)   will have two mail-outs, the second only to customers that did not respond to the first mail-out (with each mail-out reducing the amount of customers left to contact reduces by fifty percent)

(b)   will need to answer calls from new customers as a result of the mail-outs

(c)   may need to perform a site visit for those customers that fail to respond to mail-outs (with only a quarter of the allocated customers ultimately requiring a site visit).

E.5   Table 7 identifies the estimated cost to traders for contacting customers in the event of a retailer default as being between $33,000 (for a default by a small trader) and $14.8 million (for a default by a large trader).

E.6   If a medium to large trader were to default, the estimated costs for contacting consumers ($660,000 to $2.3 million) are greater than the estimated costs associated with implementing the Code amendment set-out in Table 4. These costs would be incurred each time there is a default.

E.7   Taken with the proposed benefits of the original consultation paper (as per paragraph 3.3.3), the analysis suggests that the benefits of the proposal exceed the costs of the proposal.

Table 5 Estimated cost of attempting contact the customer via mail-out

Total ICPs in first mail-out	Cost of letter sent to premises	Cost of first mail-out (A)	Number of inbound calls as a result of first mail-out	Cost per inbound call	Total cost of inbound calls as a result of first mail-out (B)	Number of letters sent on second mail-out	Cost of second mail-out (C)	Number of inbound calls as a result of second mail-out	Total cost of inbound calls as a result of second mail-out (D)
1000	$2.00	$2,000	500	$15	$7,500	500	$1,000	250	$3,750
20,000	$2.00	$40,000	10,000	$15	$150,000	10,000	$20,000	5000	$75,000
70,000	$2.00	$140,000	35,000	$15	$525,000	35,000	$70,000	17,500	$262,500
450,000	$2.00	$800,000	225,000	$15	$3,375,000	225,000	$450,000	112,500	$1,687,500

Table 6: Estimated cost of attempting to contact the customer via site visit

Number of physical site visits required after two mail-outs	Cost of each physical site visit	Total cost of physical site visit
250	$75.00	$18,750.00
5000	$75.00	$375,000.00
17,500	$75.00	$1,312,500.00
112,500	$75.00	$8,437,500.00

Table 7: Estimated total cost of attempting to contact the customer

Total ICPs requiring contact	Total costs for mail-out (columns A – D from Table 5)	Total cost of physical site visit (from Table 6)	Total cost of attempting to contact the customer
1000	$14,250.00	$18,750.00	$33,000.00
20,000	$285,000.00	$375,000.00	$660,000.00
70,000	$997,500.00	$1,312,500.00	$2,310,000.00
450,000	$6,312,500.00	$8,437,500.00	$14,750,000.00