Proposed amendment to the HHR switching process for AMI switch event meter readings

Consultation Paper

Submissions close: 5pm on Tuesday 24 February 2015

Executive summary

Where an installation control point (ICP) that is settled in the electricity market as non-half hour (NHH) switches from a losing trader to a gaining trader, the Electricity Industry Participation Code 2010 (Code) requires the losing trader to provide a switch event meter reading to the gaining trader. If both traders use the same switch event meter reading, electricity volumes invoiced to the customers and settled in the electricity market are contiguous.

However, if the gaining trader changes the settlement methodology from NHH to half-hour (HHR), inaccuracies may occur if the switch event meter reading is estimated. This inaccuracy may cause under or over consumer invoicing or market settlement, and may be a barrier to switching.

This paper discusses the cause of these inaccuracies and makes a proposal for gaining traders to be able to provide losing traders with accurate advanced metering infrastructure (AMI) meter readings, if an AMI meter reading was available but not used by the losing trader, that must be used for reconciliation after a switch.

This proposal would address the concerns around the use of inaccurate switch event meter readings for consumer invoicing and market settlement. The proposal would also remove any potential barrier to retailers changing the method of settlement at the time of the switch, providing more efficient market processes.

Glossary of abbreviations and terms

Act	Electricity Industry Act 2010
AMI	Advanced metering infrastructure
Authority	Electricity Authority
Code	Electricity Industry Participation Code 2010
HHR	Half hour
ICP	Installation control point
NHH	Non half-hour

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1. Introduction and purpose of this paper

1.1 Introduction

Amendments to switch event meter reading process

1.1.1 On 2 October 2014, the Authority's Board approved the Electricity Industry Participation Code Amendment (ICP Switching) 2014 to amend Schedule 11.3 of the Code. In the consultation paper for that amendment (Switch process re-engineering – Review of Schedule 11.3), the Authority noted the difficulties in changing the reconciliation submission method from non-half hour (NHH) to half hour (HHR) when an ICP switches from one retailer to another.[1]

1.1.2 To change the reconciliation submission method, there must be an accurate demarcation between when NHH settlement stops and HHR settlement starts. The use of an estimate for this demarcation causes inaccuracy in both the settlement and customer invoicing processes, and can cause consumers to be under or over-invoiced.

1.1.3 The Authority's previous proposal was to amend the proposed definition of 'switch event meter reading' to include the requirement to use a validated advanced metering infrastructure (AMI) meter reading where an AMI meter is available within a metering installation. If an AMI meter is not available, it was proposed that the losing trader may use either a permanent estimate or a validated meter reading obtained from a manual reading.

1.1.4 As a consequence of the submissions received on the proposal, the Authority decided not to proceed with the proposed amendment in the form consulted on at that time. However, the Authority has now decided to consult on an amended proposal.

Correction of drafting error in an existing Code amendment

1.1.5 The Electricity Industry Participation Code Amendment (ICP Switching) 2014 contains a drafting error in new clause 6A of Schedule 11.3. This error will be corrected by replacing "losing trader" with "gaining trader" in the title and the first place it appears in the clause. Although the amendment to new clause 6A is included in the proposed amendment in Appendix C, it will be made under section 39(3) of the Act and the Authority is not seeking comment on it. This amendment will come into force on 9 October 2015.

[1] Refer http://www.ea.govt.nz/development/work-programme/retail/switch-re-engineering/consultations/#c8145

1.2 Purpose of this paper

1.2.1 The purpose of this paper is to consult with participants and persons that the Authority thinks are representative of the interests of persons likely to be affected by a change to the reconciliation submission method when an ICP switches from a losing trader to a gaining trader.

1.2.2 Section 39(1)(c) of the Act requires the Authority to consult on any proposed amendment to the Code and the 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.

1.2.3 The proposed amendment is attached as Appendix C.

1.2.4 The Authority invites submissions on the regulatory statement and the proposed amendment, including drafting comments.

1.3 Submissions

The Authority's preference is to receive submissions in electronic format (Microsoft Word). It is not necessary to send hard copies of submissions to the Authority, unless it is not possible to do so electronically. Submissions in electronic form should be emailed to submissions@ea.govt.nz with "Consultation Paper - Proposed amendment to the HHR switching process for AMI switch event meter readings" in the subject line.

If submitters do not wish to send their submission electronically, they should post one hard copy of their submission to either of the addresses provided below.

Submissions
Electricity Authority
PO Box 10041
Wellington 6143

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

Tel: (04) 460 8860

Fax: (04) 460 8879

1.3.1 Submissions should be received by 5pm on Tuesday 24 February 2015. 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.

1.3.3 If possible, submissions should be provided in the format shown in Appendix A. Your submission is likely to be made available to the general public on the Authority's website. Submitters should indicate any documents attached, in support of the submission, in a covering letter and clearly indicate any information that is provided to the Authority on a confidential basis. However, all information provided to the Authority is subject to the Official Information Act 1982.

2. Issue identified

2.1 Background

2.1.1 There are two types of reconciliation submission methodologies used in the electricity market, as outlined in Part 15 of the Code:

(a) NHH submission methodology (NHH methodology)[2]

(b) HHR submission methodology (HHR methodology).[3]

2.1.2 The two methodologies operate differently and use different information, depending on the attributes of the metering installation.

NHH methodology

2.1.3 The NHH methodology is used where the metering installation at an ICP measures volumes of electricity in periods of time that are greater than one trading period. This method uses a complex process referred to as "profiling" to determine submission information.

2.1.4 The NHH methodology:

(a) uses one of the following:

(i) accumulating meter readings,[4] where the amount of electricity that has been conveyed is determined by the difference between the reading at the end of a certain time period and the reading at the beginning of that time period. As the readings are accumulating, any error in the meter reading is corrected by the retailer on the next actual reading; or

(ii) absolute meter readings, where the amount of electricity that has been conveyed is measured and recorded directly and does not require any calculation. As such, an error in NHH absolute meter readings is not self-correcting. Consequently, there are stringent requirements[5] on the data capture and handling of electronic meter readings

[2] Clauses 3 to 7 of Schedule 15.3

[3] Clause 8 of Schedule 15.3

[4] These meter readings record an accumulated value (in a similar manner to the odometer on a motor vehicle)

[5] Clause 8 of Schedule 10.6 and clause 17 of Schedule 15.3

(b) allows traders to provide details about the volume of electricity that has been purchased or sold to the clearing manager for market settlement invoicing.[6]

2.1.5 The accuracy of NHH meter readings and the calculation of monthly consumption volumes directly impacts market settlement.

HHR methodology

2.1.6 The HHR methodology uses a much simpler and more accurate process to calculate submission information. The HHR method is used where volumes of electricity are measured and recorded in periods of one trading period or less by HHR metering installations.

2.1.7 The HHR methodology is used where volumes of electricity are measured as absolute values in periods that can be summed into trading periods by the metering installation at an ICP. As such, an error in a HHR meter reading is not self-correcting. Consequently, there are stringent requirements on the data capture and handling of HHR meter readings.

2.1.8 These types of metering installations are normally read electronically due to the large amount of information being processed. The resolution of information by half hour gives very good information on consumption patterns within a consumer's site, and allows prices to reflect the cost of supply of transmission, lines, and energy if these prices are available.

2.1.9 The trader responsible for an ICP aggregates HHR volumes (adjusted by compensation factors where necessary) to a criteria set out in the Code,[7] and then provides the aggregated files to the reconciliation manager.

2.1.10 The accuracy of HHR meter readings and the calculation of monthly consumption volumes directly impacts market settlement.

Issue identified

2.1.11 A switch event meter reading[8] must be provided by the losing trader in the final information to complete a switch where:

(a) an ICP switches from a losing trader to a gaining trader using the processes outlined in clauses 1 to 12 of Schedule 11.3 of the Code

(b) the registry metering records contain:

(i) a meter register with a settlement indicator of "Y"

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6 Referred to as reconciliation information in the Code.

7 Clause 8 of Schedule 15.3.

8 The meter reading at the time of a switch is known as the switch event meter reading.

(ii) an accumulator type of “C”.

2.1.12 The switch event meter reading provides a demarcation between the end of the settlement and invoicing of the losing trader, and the start of the settlement and invoicing of the gaining trader.

2.1.13 The Code requires both the losing and gaining traders to use the same NHH switch event meter reading so that customers are not under or over-invoiced when they switch traders, and to ensure electricity market settlements are accurate.

2.1.14 Most losing traders create estimates for NHH switch event meter readings based on the consumer’s past consumption history, regardless of whether an AMI meter reading is available from the metering equipment provider (MEP) or within their own systems.

2.1.15 To all intents and purposes, as long as the same NHH switch event meter reading is used by the losing and gaining traders, settlement and customer invoicing is as accurate as can reasonably be expected.

2.1.16 However, AMI metering installations may be settled using HHR data. A gaining trader may change the type of settlement at the time of switching from NHH to HHR. If the NHH switch event meter reading provided by the losing trader is an estimate, it may not align exactly to the date and time that the gaining trader commences using HHR settlement. This is caused by the different time periods that each submission methodology uses: HHR uses periods of time that are equal to one trading period, but NHH uses periods of time that are greater than one trading period.

2.1.17 It is the misalignment of the date and time at which the HHR meter reading and the NHH meter reading is taken that may generate an inaccuracy. This inaccuracy may impact customer invoicing, clearing manager settlement, or payment to distributors for the conveyance of electricity.

2.1.18 Where such a misalignment occurs, the Code obligation to correct an inaccurate switch event meter reading is currently placed on the gaining trader in an ICP switch. Where a losing trader does not agree to correct a switch event meter reading, the gaining trader must deal with customer expectations and either debit or credit the customer accordingly.

2.1.19 The consequences of a misalignment in switch event meter readings are:

(a) a customer may be invoiced twice, or may not be invoiced at all, for some of their electricity consumption

(b) electricity market settlement may not occur for some of the customer’s electricity consumption and this will appear as

unaccounted for electricity (UFE) allocated across all traders within a balancing area

(c) electricity market settlement may allocate volumes of electricity to the gaining trader that relates to the customer's electricity consumption prior to the customer's switch, that the gaining trader cannot recover from the customer.

2.1.20 To correct an inaccurate switch event meter reading, a gaining trader must:

(a) determine whether the estimated meter reading from the losing trader matches the HHR data they receive from the MEP

(b) manually intervene in the automated processing of meter data if there is a mismatch

(c) where AMI data is available for a meter, attempt to negotiate a correction to the switch event meter reading with the losing trader where there is a mismatch between the losing trader's estimated reading and the actual reading derived from AMI data for switch event date and time.

2.1.21 Clause 6 of Schedule 11.3 of the Code requires the losing trader and the gaining trader in an ICP switch to use the same switch event meter reading in the standard switching process. A disputes process may be initiated by the gaining trader if the switch event meter reading is considered inaccurate by more than 200 kWh. However, any correction to the switch event meter reading only occurs if the losing trader accepts the gaining trader's reading.

2.1.22 If an ICP containing AMI meters is switched between traders, the switch event meter reading can be determined accurately from an interrogation of the AMI meters. The capability of AMI meters to provide accurate switch event meter readings avoids any mismatch in the data provided by the losing trader to the gaining trader.

Q1.	**Do you agree with the issue identified? If not please give reasons**

2.2 Alternatives available

2.2.1 The Authority considers that the current process of switching an ICP from a losing trader who trades the ICP as NHH, to a gaining trader who wishes to trade the ICP as HHR is inefficient and may be a barrier to customer switching. The current process may generate inaccuracies in invoicing and market settlement.

2.2.2 The Authority recently consulted on the proposal to amend the proposed definition of 'switch event meter reading' to require a losing trader in an ICP switch to use a validated AMI meter reading where an AMI meter is available within a metering installation.

2.2.3 After reviewing submissions, the Authority decided not to proceed with the proposed amendment for reasons outlined in the decisions paper published by the Authority as a result of consultation at: http://www.ea.govt.nz/development/work-programme/retail/switch-re-engineering/consultations/#c8145

2.2.4 The Authority considers that there are two options for consideration.

Retain the status quo

2.2.5 The status quo (outlined in paragraphs 2.1.1 to 2.1.22) results in the provision of an estimated switch event meter reading to demarcate consumer invoicing and market settlement between the losing trader and the gaining trader.

2.2.6 To ensure that customer invoicing and market settlement is accurate, the gaining trader in an ICP switch must either:

(a) settle the ICP using the NHH methodology; or

(b) settle the ICP using the HHR methodology, which means that the NHH switch event meter reading supplied by the losing trader (as an estimate in most cases) must be aligned to the date and time of the start of the HHR data provided by the MEP.

2.2.7 ***Advantages*** *with this approach*

(a) no change to existing trader processes.

2.2.8 ***Disadvantages*** *with this approach*

(a) the cost caused by the losing trader's inaccurate switch event meter reading is incurred by the gaining trader

(b) gaining traders who wish to use HHR methodology for AMI meters are disadvantaged by having to accept a losing trader's inaccurate estimated NHH switch event meter readings

(c) settling the ICP using the NHH methodology (as described in paragraph 2.2.6(a)) means that either:

(i) a gaining trader with a reconciliation system based on the NHH methodology does not benefit from the advantages of the more accurate market settlement and cost reflective pricing to consumers that are available through the HHR methodology; or

(ii) a gaining trader with a reconciliation system based on the HHR methodology is required to build functionality for the NHH methodology into its system. This system modification would be expensive for the gaining trader as the NHH functionality would only be used until the gaining trader changed the ICP to HHR submission type.

Require a losing trader to accept an amended switch event meter reading provided by the gaining trader where the metering installation at an ICP is AMI

2.2.9 A gaining trader in an ICP switch, where the metering is solely AMI, could obtain an accurate switch event meter reading by either:

(a) deriving the switch event meter reading for a meter, where a half hour data stream is available, from the MEP that aligns with each meter; or

(b) obtaining actual switch event meter readings from the MEP at midnight for each meter.

2.2.10 There are existing provisions for requesting a change to the switch event meter reading within the Code.[9] These provisions could be modified to require a losing trader to accept a change to the switch event meter reading, where the amended switch event meter reading is:

(a) derived from an AMI interrogation by the gaining trader

(b) provided to the losing trader within 5 business days of the date of the switch event.

2.2.11 ***Advantages*** *with this approach*

(a) accurate customer invoicing and market settlement as the losing trader must use an accurate switch event meter reading

(b) removes a barrier for retailers that only wish to trade AMI meters as HHR only

(c) little change to existing systems for losing traders as they are already required to have a process to examine proposed changes to switch event meter readings

(d) no accuracy issues with customer invoicing or market settlements with the transition from NHH submission methodology to HHR submission methodology

[9] Clauses 6 and 12 of Schedule 11.3.

(e) minimises the cost of administering the switch process where a change from NHH to HHR submission type is required to be aligned with the switch event.

2.2.12 ***Disadvantages*** *with this approach*

(a) the losing trader may delay final invoicing to the switching customer, where the metering at an ICP is solely AMI, until an amended switch event meter reading is provided by the gaining trader

(b) both the losing trader and the gaining trader's existing processes may require modification.

Q2.	**Do you agree with the Authority's assessment of alternatives available? If not please give reasons**

2.3 Authority's preferred option

2.3.1 The Code requires the losing trader and the gaining trader to use the same validated meter reading as determined by the procedure set out in clause 6 of Schedule 11.3.

2.3.2 Clause 6(a) of that schedule provides that where a losing trader provides a reading that differs by less than 200 kWh from a value established by a gaining trader, the losing trader's reading prevails.

2.3.3 Clause 6(b) of that schedule provides that where a losing trader provides a reading that differs by 200 kWh or more from a value established by a gaining trader, the gaining trader must provide a changed validated meter reading to the losing trader, and that the losing trader has the option to accept or not accept this further reading.

2.3.4 The Authority's proposal is to amend these requirements to provide specifically that the more accurate information derived from the interrogation of an AMI meter, where available, must be used by both traders.

2.3.5 The Authority understands that changing a switch event meter reading is currently a manual process within participants' processes. The proposed change would only require system modifications if participants wish to automate their processes.

2.3.6 This preferred option requires a Code amendment (as documented in Appendix C) to require the losing trader to use an AMI meter reading that has been obtained or derived by the gaining trader through the

interrogation of an AMI meter, where available. Authority staff expect that such a change would provide the following benefits:

(a) the gaining trader should not incur additional cost or require system changes to obtain the relevant information from an AMI MEP, as this information is already received for settlement and invoicing purposes

(b) the gaining trader can amend its system to indicate if there has been a change in the switch event meter reading caused by a difference between the reading provided by the losing trader and the information provided by the AMI MEP

(c) the losing trader can upgrade its system to automatically approve a change to a switch event meter reading, or to require manual approvals of such changes, at minimal cost

(d) the cost of a losing retailer manually processing a switch event meter reading change is expected to be less than the cost for a gaining trader to manually estimate the 'infill information' under the current arrangements. 'Infill information' is the term used to describe the data needed to cover any discrepancy between the estimated switch event meter reading provided by the losing trader and the actual meter reading on the day of the switch.

Q3.	**Do you agree with the Authority's preferred option? If not please give reasons**

3. Regulatory Statement

3.1 Authority's proposal

3.1.1 The issues, options, and the Authority's proposals are detailed in paragraphs 2.1.1 to 2.3.6 of this consultation paper.

3.2 Statement of the objectives of the proposed amendment

3.2.1 The objectives of the proposal are to:

(a) improve and clarify the process of switching ICPs between traders

(b) improve the accuracy of the switching and reconciliation process

(c) minimise overall administrative costs, including administrative costs to participants.

3.3 Evaluation of the costs and benefits of the proposed amendment

3.3.1 The Authority expects that the cost to participants of amending their internal processes would be less than the cost to gaining traders to correct inaccurate switch event meter readings.

Estimated costs to a gaining trader incurred by an inaccurate switch event meter reading (ie benefits of the proposal)

3.3.2 Assuming that:

(a) there are 50 switches on average per month where the gaining trader wishes to change the method of submission type at the time of the switch[10]

(b) it takes a gaining trader in the switch process 1 hour to work through a correction process at a rate of $75/hour

(c) on average the total cost of debits and credits to a gaining trader's invoicing process = $0

then, the total cost of an incorrect switch meter event meter read is estimated as 50 x 1 x $75 + $0 = $3,750/month or $45,000/year.

[10] This estimate is based on the Authority's understanding of current switching activity. The number of these switches would increase if more traders elect to change the submission type at the time of the switch, or those traders that are using this approach increase their market share.

Estimated costs of the proposal

3.3.3 Assuming that:

(a) there are 21 traders that may be the losing trader in an ICP switch where the gaining trader changes the method of submission type at the time of the switch

(b) there is a maximum one-off process change cost of $10,000 that applies to each trader (though in some cases there may be no cost as traders may continue to use a manual process)

(c) there are no ongoing costs to losing traders as a result of the proposal

(d) losing traders are able to recover the final invoice from their customer

then, the maximum total cost of implementing the proposed Code amendment for switch event meter readings is estimated as 21 x $10,000 = $210,000.

3.3.4 From the above, the maximum simple payback period is approximately 4.7 years, and the Code amendment can be expected to provide net long term benefit to consumers.

3.4 Evaluation of alternative means of achieving the objectives of the proposed amendment

3.4.1 The Authority consulted on alternatives in the "Switch process re-engineering – Review of Schedule 11.3" consultation paper. The results of this consultation are noted in the decisions paper located at: http://www.ea.govt.nz/development/work-programme/retail/switch-re-engineering/consultations/#c8145

3.4.2 Apart from the status quo, the Authority has identified only one alternative means for addressing the objectives which is detailed in paragraphs 2.2.9 to 2.2.12 of this consultation paper.

3.5 Assessment under section 32(1)

3.5.1 Section 32(1) of the Act provides that Code provisions must be consistent with the Authority's objective and be necessary or desirable to promote any or all of the following:

(a) competition in the electricity industry

(b) the reliable supply of electricity to consumers

(c) the efficient operation of the electricity industry

(d) the performance by the Authority of its functions

(e) any other matters specifically referred to in this Act as a matter for inclusion in the Code.

3.5.2 Appendix B contains a table setting out an assessment of the proposed amendment against the requirements of section 32(1) of the Act.

3.6 Assessment against the Code amendment principles

3.6.1 When considering amendments to the Code, the Authority is required by its Consultation Charter to have regard to the following Code amendment principles, to the extent that the Authority considers that they are applicable.

3.6.2 *Principle 1 – Lawfulness:* The Authority and its advisory groups will only consider amendments to the Code that are lawful and that are consistent with the Act (and therefore consistent with the Authority's statutory objective and its obligations under the Act).

3.6.3 The proposal is lawful, and is consistent with the statutory objective and with the empowering provisions of the Act.

3.6.4 *Principle 2 – Clearly Identified Efficiency Gain or Market or Regulatory Failure:* Within the legal framework specified in Principle 1, the Authority and its advisory groups will only consider using the Code to regulate market activity when:

(a) it can be demonstrated that amendments to the Code will improve the efficiency[11] of the electricity industry for the long-term benefit of consumers;

(b) market failure is clearly identified, such as may arise from market power, externalities, asymmetric information, and prohibitive transaction costs; or

(c) a problem is created by the existing Code, which either requires an amendment to the Code or an amendment to the way in which the Code is applied.

3.6.5 The Authority considers that there are clearly defined efficiency gains to the process of switching ICPs between traders by clarifying the process requirements, improving the efficiency of the switching process, and

[11] Where efficiency refers to allocative, productive, and dynamic efficiency, and improvements to efficiency include, for example, a reduction in transaction costs or a reduction in the scope for disputes between industry participants.

preventing gaining traders from correcting errors caused by losing traders' estimation procedures.

3.6.6 *Principle 3 – Quantitative Assessment:* When considering possible amendments to the Code, the Authority and its advisory groups will ensure disclosure of key assumptions and sensitivities, and use quantitative cost-benefit analysis to assess long-term net benefits for consumers, although the Authority recognises that quantitative analysis will not always be possible. This approach means that competition and reliability are assessed solely in regard to their economic efficiency effects. Particular care will be taken to include dynamic efficiency effects in the assessment, and the assessment will include sensitivity analysis when there is uncertainty about key parameters.

3.6.7 Quantitative assessment is outlined in paragraphs 3.3.1 to 3.3.4.

Q4.	**Do you agree with the Authority's Regulatory statement and assessment of costs and benefits? If not please give reasons**

3.7 Summary of questions

Question No.	Question
Q1	Do you agree with the issue identified? If not please give reasons
Q2	Do you agree with the Authority's assessment of alternatives available? If not please give reasons
Q3	Do you agree with the Authority's preferred option? If not please give reasons
Q4	Do you agree with the Authority's Regulatory statement and assessment of costs and benefits? If not please give reasons

Appendix A Format for submissions

Question No.	General comments:	Response
Q1		
Q2		
Q3		
Q4		

Appendix B Assessment under section 32(1) of the Act

Section 32(1) requirements:	Response
The proposed amendment is consistent with the Authority's objective under section 15 of the Act, which is as follows:	
(a) 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 would increase the efficiency of the process for switches that involve a change to submission type.
The proposed amendment is necessary or desirable to promote any or all of the following:	
(a) competition in the electricity industry;	The proposed amendment would support competition by removing barriers to switching ICPs where the switch involves a change to submission type
(b) the reliable supply of electricity to consumers;	The proposed amendment would have no impact on the reliability of supply
(c) the efficient operation of the electricity industry;	The proposed amendment would use existing market processes to remove a barrier to switching and allocate the consequence of an incorrect switch event meter reading to the participant that is best placed is placed to rectify the error
(d) the performance by the Authority of its functions;	The proposed amendment would have no impact on the Authority's performance of its functions
(e) any other matter specifically referred to in this Act as a matter for inclusion in the Code.	The proposed amendment would have no impact on any other matters specifically referred to in the Act for inclusion in the Code.

Appendix C Proposed amendment to Schedule 11.3

Strikethrough for the commencement date 28 days after gazettal. The proposed wording is based on the current Code.

…

6 Traders must use same reading

(1) The losing **trader** and the gaining **trader** must both use the same **validated meter reading** or **permanent estimate** as determined by the following procedure:

(a) if the **validated meter reading** or **permanent estimate** provided by the losing **trader** differs by less than 200 kWh from a value established by the gaining **trader**, the gaining **trader** must use the losing **trader's validated meter reading** or **permanent estimate**; or

(b) if the **validated meter reading** or **permanent estimate** provided by the losing **trader** differs by 200 kWh or more from a value established by the gaining **trader**, the gaining **trader** may dispute the **validated meter reading** or **permanent estimate**. In this case, the **gaining trader** must, within 4 calendar months of the actual **event date**, provide to the losing **trader** a changed **validated meter reading** or a **permanent estimate** supported by 2 **validated meter readings**, and the losing **trader** must either,—

(i) within 5 **business days** after receiving the **validated meter readings** or **permanent estimate** from the gaining **trader**, the losing **trader**, if it does not accept the **validated meter readings** or **permanent estimate**, must **notify** the gaining **trader** (giving all relevant details); or

(ii) if the losing **trader** notifies its acceptance of the **validated meter readings** or **permanent estimate** received from the gaining **trader**, or does not provide any response, the losing **trader** must use the **validated meter readings** or **permanent estimate** supplied by the gaining **trader** in accordance with this paragraph.

(2) Despite subclause (1), subclause (3) applies if a **validated meter reading** or **permanent estimate** provided by the losing trader under subclause (1) has not been obtained from an **interrogation** of a **certified metering installation** with an AMI flag of Y in the **registry**.

(3) No later than 5 business days after the event date—

(a) the gaining trader may provide the losing **trader** with a **meter reading** obtained from an **interrogation** of a **certified metering installation** with an AMI flag of Y in the **registry**; and

(b) the losing **trader** must use that **meter reading**.

…

12 Gaining trader may change validated meter reading or permanent estimate

(1) The gaining **trader** may use the **validated meter reading** or **permanent estimate** supplied by the losing **trader** or may, at its own cost, obtain its own **validated meter reading** or **permanent estimate**.

(2) If the gaining **trader** elects to use the new **validated meter reading** or **permanent estimate**, the gaining **trader** must **notify** the losing **trader** of the new **validated meter reading** or **permanent estimate** and the actual **event date** to which it refers as follows:

(a) if the **validated meter reading** or **permanent estimate** established by the gaining **trader** differs by less than 200 kWh from that provided by the losing **trader**, both **traders** must use the **validated meter reading** or **permanent estimate** provided by the gaining **trader** as the **validated meter reading** or **permanent estimate**; or

(b) if the **validated meter reading** or **permanent estimate** provided by the losing **trader** differs by 200 kWh or more from a value established by the gaining **trader**, the gaining **trader** may dispute the **validated meter reading** or **permanent estimate**.

(2A) Despite subclause (1), subclause (2B) applies if a **validated meter reading** or **permanent estimate** provided by the losing **trader** under subclause (1) has not been obtained from an **interrogation** of a **certified metering installation** with an AMI flag of Y in the **registry**.

(2B) No later than 5 business days after the event date—

(a) the gaining trader may provide the losing **trader** with a **meter reading** obtained from an **interrogation** of a **certified metering installation** with an AMI flag of Y in the **registry**; and

(b) the losing **trader** must use that **meter reading**.

(3) If the gaining **trader** disputes a **validated meter reading** or **permanent estimate** under subclause (2)(b), the gaining **trader** must, within 4 calendar months of the actual **event date**, provide to the losing **trader** a changed **validated meter reading** or a **permanent estimate** supported by 2 **validated meter readings**, and the losing **trader** must either,—

(a) within 5 **business days** after receiving the **validated meter reading** or **permanent estimate** from the gaining **trader**, the losing **trader**, if it does not accept the **validated meter reading** or **permanent estimate**, must **notify** the gaining **trader** (giving all relevant details), and the losing **trader** and the gaining **trader** must use reasonable endeavours to resolve the dispute in accordance with the disputes procedure contained in clause 15.29 (with all necessary amendments); or

(b) if the losing **trader** notifies its acceptance of the **validated meter reading** or **permanent estimate** received from the gaining **trader**, or does not provide any response, the losing **trader** must use the **validated meter reading** or **permanent estimate** supplied by the gaining **trader** in accordance with this clause.

…

Strikethrough for the 9 October 2015 commencement date.

The proposed wording is based on the Code as at 9 October 2015, when the remaining clauses of the Electricity Industry Participation Code Amendment (ICP Switching) 2014 will be in force.

…

6 Traders must use same reading

(1) The losing **trader** and the gaining **trader** must both use the same **switch event meter reading** for the **event date** as determined by the following procedure:

(a) if the **switch event meter reading** provided by the losing **trader** differs by less than 200 kWh from a value established by the gaining **trader**, the gaining **trader** must use the losing **trader's switch event meter reading**; or

(b) if the **switch event meter reading** provided by the losing **trader** differs by 200 kWh or more from a value established by the gaining **trader**, the gaining **trader** may dispute the **switch event meter reading**.

(2) Despite subclause (1), subclause (3) applies if a ~~**validated meter reading** or **permanent estimate**~~ **switch event meter reading** provided by the losing trader under subclause (1) has not been obtained from an **interrogation** of a **certified metering installation** with an AMI flag of Y in the **registry**.

(3) No later than 5 business days after the event date—

(a) the gaining trader may provide the losing **trader** with a **switch event meter reading** obtained from an **interrogation** of a **certified metering installation** with an AMI flag of Y in the **registry**; and

(b) the losing **trader** must use that **switch event meter reading**.

6A ~~Losing~~ Gaining trader disputes reading

If a ~~losing~~ gaining **trader** disputes a **switch event meter reading** under clause 6(1)(b), the gaining **trader** must, no later than 4 months after the **event date**, provide to the losing **trader** a changed **switch event meter reading** supported by 2 **validated meter readings**, and the losing **trader** must either,—

(a) if it does not accept the **switch event meter reading**, advise the gaining **trader** (giving all relevant details) no later than 5 **business days** after receiving the **switch event meter reading** from the gaining **trader**; or

(b) if it notifies its acceptance of the **switch event meter reading** received from the gaining **trader**, or does not provide any response, the losing **trader** must use the **switch event meter reading** supplied by the gaining **trader**.

…

12 Gaining trader may change switch event meter reading

(1) The gaining **trader** may use the **switch event meter reading** supplied by the losing **trader** or may, at its own cost, obtain its own **switch event meter reading**.

(2) If the gaining **trader** elects to use the new **switch event meter reading**, the gaining **trader** must **notify** the losing **trader** of the new **switch event meter reading** and the **event date** to which it refers as follows:

(a) if the **switch event meter reading** established by the gaining **trader** differs by less than 200 kWh from that provided by the losing **trader**, both **traders** must use the **switch event meter reading** provided by the gaining **trader**; or

(b) if the **switch event meter reading** provided by the losing **trader** differs by 200 kWh or more from a value established by the gaining **trader**, the gaining **trader** may dispute the **switch event meter reading**.

(2A) Despite subclause (1), subclause (2B) applies if a ~~**validated meter reading** or **permanent estimate**~~ **switch event meter reading** provided by the losing **trader** under subclause (1) has not been obtained from an **interrogation** of a **certified metering installation** with an AMI flag of Y in the **registry**.

(2B) No later than 5 business days after the event date—

(a) the gaining trader may provide the losing **trader** with a **switch event meter reading** obtained from an **interrogation** of a **certified metering installation** with an AMI flag of Y in the **registry**; and

(b) the losing **trader** must use that **switch event meter reading**.

(3) If the gaining **trader** disputes a **switch event meter reading** under subclause (2)(b), the gaining **trader** must, no later than 4 months after the actual **event date**, provide to the losing **trader** a changed **switch event meter reading** supported by 2 **validated meter readings**, and the losing **trader** must either,—

(a) no later than 5 **business days** after receiving the **switch event meter reading** from the gaining **trader**, the losing **trader**, if it does not accept the **switch event meter reading**, must **notify** the gaining **trader** (giving all relevant details), and the losing **trader** and the gaining **trader** must use reasonable endeavours to resolve the dispute in accordance with the disputes procedure contained in clause 15.29 (with all necessary amendments); or

(b) if the losing **trader** notifies its acceptance of the **switch event meter reading** received from the gaining **trader**, or does not provide any response, the losing **trader** must use the **switch event meter reading** supplied by the gaining **trader**.

…