

29 September 2017

Submissions  
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## Submission on 2017 Operational Review of Register Content Codes

Dear Sir or Madam,

We welcome the opportunity to respond to the Electricity Authority's consultation paper on the operational review of register content codes. Please find our responses to the question table provided by the Authority below.

We have included in our submission a heat-map representing the distribution of content code combinations regionally, which was created using the data available on the EA's EMI Portal.

It demonstrates both that there is an unnecessarily large number of rarely used combinations across distribution networks which should be replaced for improved efficiency, and the large number of erroneously allocated content codes which frequently cause errors in operational processes.

We ask that this heat-map analysis be kept in confidence by the Authority and be excluded from public publication as commercially sensitive information.

Question	Comment
<p><b>Q1. Do you agree the issues identified by the Authority are worthy of attention?</b></p> <p><b>If not, please explain why.</b></p>	<p>We agree with the general findings of the Electricity Authority outlined in the consultation paper. We believe the most significant drivers of the current operational inefficiencies are:</p> <ul style="list-style-type: none"> <li>a. The substantial number of differences in distributor pricing methodologies and implementation of those methodologies.</li> </ul> <p>Although we recognise that this issue is not directly covered by this review, we would like to reiterate the importance of the need for rationalisation in this area to the Authority.</p> <p>In our view, this is the most significant contributing factor by far, and the most substantial gains in operational efficiency will come out of increased standardisation across distribution networks of pricing methodologies, and related usage of content codes.</p> <p>Many of the mappings may not be necessary if there was more consistency in pricing between Distributors, for example the need to have both Business Day / Non Business Day time of use mappings and Weekday /</p>

Question	Comment
	<p>Weekend mappings.</p> <p>We have attached to our submission a heat-map of the distribution of content code combinations by region, which shows the extent of this problem, along with the number of erroneous mappings as discussed in (c) below</p> <p>b. The current lack of an obligation on distributors to definitively disclose what the price mapping is for every content code and period of availability combination which exists on their distribution networks causes significant confusion and implementation discrepancies between retailers</p> <p>Vocus has found that retailers will frequently interpret the allocation of content codes differently and this causes a range of issues from confusion at the point of sale, to complaints about the charges on customer bills as a result of a change in price allocation, through to issues in the distributor reconciliation processes and mismatches between submitted and return charging</p> <p>We strongly support the Authority requiring Distributors to disclose pricing for all combinations, irrespective of which of the implementation the Authority selects</p> <p>c. The lack of registry validation of content codes seems to have resulted in erroneous content codes being allocated with many combinations having very few ICPs attached.</p> <p>We have attached to our submission a heat-map of the distribution of content code combinations by region, which shows the extent of this problem, along with the unnecessarily large number of correct but infrequent mappings discussed in (a) above.</p> <p>We do not believe it is in the interests of the market to have so many rarely used combinations, nor to allow clearly erroneous combinations to left unfixed.</p> <p>We have found that staff spend a significant amount of time dealing with these one-off type exceptions which cause errors in operational processes, and believe it is essential for operational efficiency that the Authority compels all participants to clean up erroneous codes, and focuses on rationalising the codes which are used.</p>
<p><b>Q2. Do you agree that the proposed business requirements around period of availability and distributor's</b></p>	<p>We agree with the Authority's proposed business requirements.</p>

Question	Comment
<p>pricing information will support accurate application of register content codes and periods of availability for ICP based volume prices?</p> <p>If not, please explain.</p>	
<p><b>Q3. Do you agree with the Authority's preferred Option D which introduces generic register content codes for mass market TOU prices, and for consistency deletes existing customised codes that specify time blocks in the descriptions?</b></p> <p>If not, which option do you prefer and why?</p>	<p>Of the proposed options, our preferences would be either Option D or Option F.</p> <p>However, irrespective of what option the Authority implements, we believe that the most important issues which must be resolved are those that we outlined in our response to Question 1.</p>
<p><b>Q4. If the Authority implements Option D, we propose to allow participants 6 months to convert from using the customised register content codes to the corresponding generic register content codes (mapping demonstrated in Appendix C).</b></p> <p>Would this be sufficient time?</p> <p>If not, please advise how much time would be reasonable.</p>	<p>We agree that this should be more than enough time for migration.</p>
<p><b>Q5. Do you agree that the Authority should progress a Code change to mandate that a distributor's pricing information must contain certain information to assist consistent and correct application of register content codes and periods of availability for ICP based volume prices?</b></p> <p>If not, please explain why.</p>	<p>We believe that this is essential, and would object to any changes being made without this amendment already being in place, particularly if the Authority will require participants to make significant changes to the current mappings.</p>
<p><b>Q6. Do you agree with the objectives of the proposed amendments?</b></p>	<p>We agree with the objectives of the proposed amendments.</p>

Question	Comment
If not, why not?	
<b>Q7. Do you agree the benefits of the proposed amendments outweigh the costs?</b> <b>If not, please explain your reasons.</b>	We agree that the benefits of the proposed amendments will outweigh the costs.
<b>Q8. Do you agree the proposed amendments are preferable to other options? If you disagree, please give reasons.</b>	We agree that the proposed amendments are preferable to other options.

If you have any questions regarding this submission please contact Sean Campbell (Business Services Manager) at [sean.campbell@vocusgroup.co.nz](mailto:sean.campbell@vocusgroup.co.nz), or by phone on 09 918 0688.

Kind regards

Sean Campbell

**Business Services Manager**

**Switch Utilities Ltd - Vocus Group**