

22 March 2013

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## SUBMISSION ON ELECTRICITY INFORMATION EXCHANGE PROTOCOLS

- 1 Orion New Zealand Limited (**Orion**) welcomes the opportunity to comment on the “Electricity Information Exchange Protocols – Decisions and further consultation” Decision and consultation paper (the **paper**) released by the Authority in January 2013.

### Introduction

- 2 Our submission is in two parts:
  - Comments on key aspects of the paper, and
  - Responses to the paper’s specific questions as an appendix.

### Comments on key aspects of the paper

- 3 We are generally supportive of or at least neutral towards most of the decisions set out in sections 3 and 4 of the paper. However we remain of the view that the Code mandated EIEP12 and the associated list of standard tariff codes are poorly conceived, poorly executed and unnecessary. The fact that the list of standard tariff codes is now several hundred long should give the Authority considerable pause.
- 4 The proposal in section 5 causes us some concern. We agree that EIEPs and associated documents should be incorporated consistently in the Code. However where the use of these is to be mandatory, then we need to understand



how changes to this material would be handled. We are concerned that future changes to such material will not be seen as Code changes, and therefore not be subjected to the associated consultation process.

- 5 We note the paper, at para 5.4.3, states that “the proposal would not affect the level of consultation required before amending a referenced document” but this seems to only be because such consultation is not required. We believe that any changes to Code requirements, however they arise, should be subject to consultation. This means that Code mandated EIEPs and related documents must be so subject. This can be implemented by changing some other part of the Code to make it clear that EIEPs and related documents, where mandated, are indeed part of the Code for the purposes of consultation.
- 6 We have previously submitted against mandating the use of particular formats, primarily on the grounds that if standard formats are indeed useful they will be used, while if they are not used that probably just means they are not useful.
- 7 We consider that the paper is incorrect in asserting that exchange of customer information and billing related data, be it using EIEPs 1 to 3 or other formats, is a “key driver of end customer satisfaction” as stated in para 6.2.2. Most of the data exchange occurring here is irrelevant to consumer experience.
- 8 Likewise we do not believe the Authority has ever provided compelling evidence that the variety of information exchange approaches is a material barrier to entry as implied in para 6.2.4. Our interpretation of the Authority’s competition analyses is that the level of retail competition continues to increase, but there is still a noticeable difference between the relatively high level of competition in areas with many consumers, and the relatively low level in areas with small numbers of consumers. We do not believe this difference has anything to do with information exchange formats.
- 9 However, the Authority is clearly keen to persist down this path, so it appears we will have to incur the cost of compliance. We do not consider this to be in the long term interest of consumers.

### **Concluding remarks**

- 10 Thank you for the opportunity to make this submission. Orion does not consider that any part of this submission is confidential. If you have any questions please contact Bruce Rogers (Pricing Manager), DDI 03 363 9870, email [bruce.rogers@oriongroup.co.nz](mailto:bruce.rogers@oriongroup.co.nz).

Yours sincerely



Bruce Rogers  
**Pricing Manager**

## Appendix: Responses to specific questions

	<b>Question</b>	<b>Response</b>
1	Are the EIEP functional specifications drafted clearly, completely and accurately? Please provide any comments you may have that would improve the drafting, specifying which EIEP(s) you are referring to.	No.  EIEP12 and in particular the related list of standard tariff codes are not useful or well structured.  The other EIEPs are reasonable enough.
2	Do you agree with the proposal described in section 5? If not, please explain the reasons why you disagree.	No. We believe that any changes to Code with which participants are required to comply must be subjected to the normal consultation process. It does not matter how the Code obligation is written or arises.
3	If the proposal proceeds, do you agree with the proposed approach to amend the Code? If not, please explain the reasons why you disagree.	Only if other Code changes are made that make it clear that changes to material such as EIEPs, where their use is mandatory, must be subject to the normal consultation process.
4	Do you agree with the problem definition set out in this section? If not, please explain the reasons why you disagree.	We agree that EIEPs and related documents should be treated consistently. However, consistency should not compromise the need for consultation.
5	Do you agree with the cost and benefit assumptions used in the CBA? If not,	No.  The costs seem plausible. We suspect the benefits are overstated.

	<b>Question</b>	<b>Response</b>
	please explain your reasons.	
6	Do you agree with the results delivered by the CBA? If not, please explain your reasons.	No.  We suspect the net benefits are overstated.
7	Do you support the proposal set out in this section that would require compliance with the billing information EIEPs in certain cases? If not, please explain your reasons.	No.  We have previously submitted against mandating the use of particular formats, primarily on the grounds that if standard formats are indeed useful they will be used, while if they are not used that probably just means they are not useful. We remain of the same view. Additionally, should the EIEPs become part of the Code without the appropriate safeguard of a robust consultation process we would be extremely concerned.
8	What comments do you have on the information and analysis provided in the regulatory statement?	None.