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Submissions
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SUBMISSION ON MODEL USE-OF-SYSTEM AGREEMENTS

1 Orion New Zealand Limited (**Orion**) welcomes the opportunity to comment on the "Model use-of-system agreements" consultation paper (the **paper**) released by the Authority in February 2012.

2 Our submission is in three parts:

2.1 Comments on key aspects of the paper,

2.2 Responses to the paper's specific questions as Appendix 1,

2.3 Comments on (some) specific clauses in the MUoSA (Interposed) as Appendix 2.

Load management

3 In our view the paper confuses discussion of "controlled load" with "load management". We continue to assert our right to place conditions on connection to our network, including the requirement that certain types of device must have *at least* an emergency load control relay in place (although we note that by definition such a relay will hardly ever be signalled).

4 However we consider that load management is a different, far wider and more important issue than deciding who determines what happens to load at individual connections. Our key concern is that the primary role of distributors in *managing* load in a *coordinated* manner be acknowledged. That management is about

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(amongst other things) forecasting the load over the coming day, understanding all the resources available across the network, knowing the status of the network in aggregate and in particular areas, knowing and balancing the durations of signalling to numerous channels, communicating load management information to various interested parties, and all within a framework of stated service levels. We do not do this by right; we do it because we consider it to be our *responsibility,* as part of the overall delivery service and that we are the best placed party to do it. Consumers, individually and in aggregate, are better off because the same amount of energy (and associated energy service) is delivered over a network that is smaller and lower cost than it would otherwise be.

5 Moreover we do not believe that all of the information and system capability that underpins our load management can be efficiently delivered via market arrangements in a way that would achieve a superior outcome.

6 Of even more concern is that market arrangements could in our view:

6.1 Allow parties (such as load aggregators) to 'free-ride' on our wider coordination service increasing our costs and operational complexity as we seek to accommodate the adverse consequences of uncoordinated load control by those other parties, and

6.2 Place us in an untenable position where we are *expected* to deliver the same coordination service, but no longer have the *capability* to deliver it because of the actions of others. This is not only bad for consumers; it frustrates our obligations under the UoSA.

7 We have made additional points in Appendix 1.

"Negotiation", even-handedness and equitable treatment

8 In some of our previous submissions[1] we have drawn the Authority's attention to our concern that using the word "negotiation" in the context of distributor's dealings with retailers – and particularly additional retailers - is something of a misnomer. Key context that would normally surround negotiation is missing, and in particular the opportunity for the distributor to benefit from the bargain.

9 We suspect, given the context, that negotiation of UoSAs will often proceed along the following lines:

[1] Most recently in our: "Submission on further standardisation papers" dated 8 September 2011, in particular paras 13 and 14, and 26 and 27. More generally also see our: "Submission on further standardisation papers part 2" dated 6 October 2011.

- New retailer approaches distributor
- Distributor provides proposed contract (let's suppose it is materially in line with the MUoSA)
- Retailer proposes variation favourable to it
- Distributor declines to accommodate the full extent of change requested (since the distributor can only be worse off)
- Retailer accuses distributor of not negotiating in good faith, invokes mediation under Part 12A.3
- Mediation does not (and cannot reasonably be expected to) change distributor position
- Retailer complains to Authority
- Possible Code changes or changes to the MUoSA.

10 Meaningful negotiation does not occur when one party cannot be better off. The process above can only go in one direction – and that direction is unfavourable to the distributor. The Code's and the paper's conception of negotiation is actually based around the idea that distributors should seek to contract with any party even though this cannot be commercially sensible for the distributor. This is clearly not negotiation in the normal sense. If there is a public policy problem here at all it is that there are perceived to be wider *social* benefits to consumers from open retailer access to distribution networks despite the negative *private* commercial effect on distributors. Simply requiring distributors (who do not create the problem) to bear whatever costs come out of this process is one approach to regulation, but we are not sure if it is an appropriate one, and it is certainly not transparent.

11 Likewise, suppliers in workably competitive markets do not necessarily treat all customers even-handedly or equitably. Once again distributors are being asked (required?) to behave non-commercially, presumably again because it is believed that there are wider consumer benefits. This is an uncomfortable position for distributors to occupy, and at odds with both the way we run the rest of our business, arguably with our obligations under the Energy Companies Act 1992 (to operate as a successful business), and with the Authority's purpose as it can hardly be in the long term interest of consumers. We recommend that the Authority consider more transparent ways of dealing with this perceived problem.

12 Finally on this topic we note that the recent Code changes in relation to prudential security require distributors to treat retailers *inequitably*. This is because the maximum difference there can be between the prudential security required of the best and worst retailers (two weeks' charges) is less than would be expected under commercial arrangements (two months would be typical, although there could easily be retailers who would face more onerous

requirements, or would not find any supplier at all, in workably competitive markets). The additional security that can be required under 12A.5 is irrelevant as this is not supposed to be a cost to the retailer (12A.5 (3) and (4)), so the changes *favour* low credit quality / higher risk retailers over other retailers.

13 The question then arises: how, in a context of equitable treatment, where the distributor chooses to require the additional security, should the cost of this be recovered? One option we have thought of is that we establish a 'credit support fee', but:

13.1 If we (equitably) charge this to the party causing the cost (the low credit-quality retailer) this looks to be at odds with the policy intent of the Code changes.

13.2 If we charge all retailers in some proportion, this is not equitable as they have not equally contributed to the increase in risk and associated cost.

14 We note that 13.2 is simply a transparent way of doing what will happen less transparently anyway if distributors do nothing: all retailers and therefore all consumers will eventually cross-subsidise the low credit-quality retailers. If we did make a change to transparency we would need to consult on it, and we suspect the majority of retailers (who are credit worthy) would consider that they should not be called upon to cross-subsidise others who are not. We would agree.

Monitoring uptake

15 We consider that the Authority's proposals in this area are excessive. We are comfortable with an approach that reviews from time to time (and annually may be too often) alignment of the *latest* agreements offered by distributors with the MUoSA, and we are comfortable with there being a channel for various parties to raise with the Authority any issues they have with the MUoSA – although we do not see that this needs to be formalised. Any review of alignment in our view needs to consider materiality, substance, effect and principle, rather than just textual differences.

16 However, we do not agree that disclosure of the background to and content of *all* agreements actually in place, or their alignment with the MUoSA adds any value. All retailers will have had the *opportunity* to take up the latest agreement, but they are perfectly entitled not to do so. Distributors are not well placed to explain retailer's decisions, and we can see no good reason why retailers should be required to disclose their explanations.

17 We have made additional points in Appendix 1.

Technical drafting

18 We disagree with the approach proposed in the paper. As previously advised we consider it to be poor regulatory practice to draft documents that give effect to regulatory policy decisions *before* those decisions have been finalised. Yet a marked-up MUoSA has been published along with all the other consultation documents. This is not only technically premature, but it runs the significant risk that the actual drafting does not accurately or optimally reflect the intent of the policy as it stands in the paper let alone after that policy is changed due to consultation.

19 We draw particular attention to clauses 9, 10 and (to a lesser extent) 11, which we believe have been rendered all but incoherent by a radical and largely unnecessary change in terminology from "price" to "tariff", and a related change in referring to what actually happens in the world - allocation of ICPs to pricing categories from which one or more pricing components can be applied - to allocation of a singular "tariff rate". This in turn seems to reflect the mandating of EIEP 12 and the associated list of Standard Tariff Codes (neither of which interventions found significant favour with submitters). The latter was not subjected to adequate (or any?) scrutiny by knowledgeable parties (for example by SDFG). Indeed the list of Standard Tariff Codes appears to have been developed without a good understanding of either distribution pricing *or* good data design. So one bad design process at a lower level is now driving bad design at a higher level.

20 If there is to be no technical drafting group, then the MUoSA should at least be subjected to one final round of technical consultation once all the policy decisions are finalised. Another possible (additional) option is to ask the RAG to review the final draft?

Concluding remarks

21 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.

Yours sincerely

Bruce Rogers
Pricing Manager

Appendix 1: Responses to specific questions

	Question	Response
1	Do you think the proposed revised liability cap provisions address the issues raised in earlier submissions?	We are not sure about that. However, we do not believe the suggested approach ends up with an equitable outcome for retailers. We consider that an alternative, more equitable and superior approach is to apportion the event cap (whatever it is) across retailers according to market share. These proportions could be updated, say, once each year.
2	Do you support the proposed amendments to the MUoSAs that limit liability to only direct losses to physical property? If you do not, please explain your preferred alternative, and how it would address the concerns outlined.	Yes.
3	Do you have any further comments relating to this issue or new points to raise?	Yes. We consider that the liability of retailers to distributors with respect to not adequately reflecting relevant UoSA terms in agreements with end-consumers should remain uncapped. Retailers can readily comply with such requirements.
4	Do you agree with the proposed revisions made by the Authority based on the feedback received from submitters?	We think that our proposed alternative regarding management of event caps is superior.
5	Do you have any further comments about	In our view the paper confuses “controlled load” with “load management”. The distinction is very important.

	the load management provisions in the MUoSAs?	Orion and, we believe, most other distributors, carries out load management within a structure of service levels and business rules in order to ensure that load is optimised on the days of highest loading, while maintaining sufficient supply to controlled loads (for example to maintain an adequate supply of hot water). We continue to assert our right to place conditions on initial and ongoing connection to the network. We do not consider those arrangements to be subject to the UoSA.
6	Do you agree with the proposed revised approach, which is to not require retailers to pass distributors' price signals for load control through to consumers under interposed arrangements?	Yes. However, our experience is that retailers do in fact usually pass through such signals. It is unclear, though, how the position statement encapsulated in the question aligns with the wording of clause 6.1. The wording implies that distributor load control should only occur where "the Consumer elects to take up the Retailer's corresponding price option that reflects the Controlled Load Tariff Rate"? Isn't that a requirement to "pass distributors price signals through to consumers"? There are a few technical problems here as well. Generally speaking, and certainly in Orion's case, we *send* ripple signals out across the network. What happens at individual consumer connections depends on the metering equipment (ripple relays) that *receive* the signals, and on the equipment and wiring in consumer's property, neither of which we determine or know. Whether the load control actually occurs does not depend on the pricing option, and in any case the distributor cannot know what the consumer has 'elected'. More generally the clause clearly has in mind a framework where retailers do not respond to distributor price signals in creating consumer offerings, but rather that distributors create the substance of retail price offerings. This is not necessarily the case either now or into the future. It is undesirable for the UoSA to lock in one very limited and old-fashioned world view (encapsulated in the expression "Controlled Load Tariff Rate") particularly if it does so by accident, and more particularly since the authority has separately decided not to mandate particular approaches to distribution pricing, at least in part to enable innovation. In Orion's case retailers have to create consumer offerings based on our aggregate price signals. Retailers' costs are indeed reduced by them having equipment at consumers' premises that responds to our ripple signals, and most do in fact do this and have different retail prices for various sorts of "control": eg peak control, night only. But this can be done in a number of other ways as well, eg by simple time-of-use retail pricing that encourages consumption, particularly hot water heating, at night. However we wouldn't characterise our pricing as having a specific "Controlled Load Tariff Rate". Thus the MUoSA as

		re-drafted looks to mean that we would not be able to carry on load management at all? If we did not carry out load management the cost to retailers, and pretty soon after consumers, would increase significantly.
7	Do you agree with distributors having priority rights over controllable load resources for the sole purpose of managing system security?	We certainly agree that distributors should have *at least* that right. However Orion hardly ever uses controllable load for this purpose. We do "use" controllable load routinely on many winter weekdays when it as an integral part of our pricing to manage total loads on our (and Transpower's) network, and this also manages retailer/consumer costs. We note that generally when system security is threatened, an instruction will come from the system operator, so it is more that the SO has priority and we are simply bound by the Code to follow instructions. "Controllable load" is generally not suitable in system security situations. By definition it is usually used for load *shifting* as part of coordinated load management and is carried out within a structure of service levels. Coordinated load management allows us to meet the energy needs of consumers at lower overall cost because the capacity of the network is less than it would otherwise be. Our business is actually smaller as a result of this approach. We believe that uncoordinated load management will increase the size of the network we need to build to reliably supply consumers, that this is clearly inefficient, and that the additional cost will, one way or another, find its way to consumers. That is, it is clearly not in the long term interests of consumers.
8	Do you have any new points to raise on this issue?	No.
9	Do you support the Authority's proposal to not develop a distribution system operator's role under the MUoSA project but to consider this issue separately?	It is probably appropriate to not develop it under this project. However, the proposed approach to load management "rights" cuts across the concept. We do not believe an uncoordinated approach to load management will result in better or even stable outcomes for consumers. Therefore if the Authority does not develop the distribution system operator role at this time it should not develop load management rights at this time either.
10	Do you agree with the Authority's stated objectives and proposed approach for developing a UoSA monitoring	The objectives are OK. The proposed approach strikes us as excessive. If a distributor *offers* any new agreement it enters into to all other retailers, does the rest of the disclosure matter? If a retailer is sufficiently comfortable with the agreement they have, and/or if the agreement is not materially different *in effect* to the MoUSA, then does technical alignment matter?

	programme?	Perhaps a better way to monitor uptake is to ask retailers to identify actual issues as they arise (and where they have not been able to resolve them amicably). Also we would argue that retailers are better placed to judge whether they are happy for their agreements with distributors to be made public, and to make them public if they are happy.
11	Do you agree with the Authority's UoSA monitoring proposal? Do you have any concerns about the proposed approach? What further improvements can you suggest?	This looks very similar to question 10. Please also see our response to that. We are not sure why distributors should self report on *all* the agreements in place. It strikes us as more sensible for them to report on the latest version taken up, which by definition is (or was) available to all other retailers. Distributors could reasonably be asked to comment on how well that agreement aligned with the model, which we think is what is anticipated in section 4.5? But whether retailers take up later versions of agreements over time is their decision, and whether there is active engagement is very much a two-way street. Engagement is not compulsory. Our experience of the agreements, once signed, is that there is usually very little reference to them. It is not clear what the *purpose* of the information in the Table 1 is? More specifically, Table 1 is not in our view an appropriate way to describe the agreements: • In relation to the form of the agreement "B", it does not make sense – or it is circular - to say that an agreement does not apply to connections it does not apply to. The agreement by definition applies only to the connections supplied under it. These will inevitably change during the life of the agreement, as will the connections which the distributor contracts with directly. • In relation to a Copy of the agreement, if it is OK to "redact" certain special terms, how does this align with equitable and open-handed treatment provision? It is precisely the special terms that other retailers will be interested in.
12	Do you support the Authority's approach for finalising the MUoSAs that does not envisage use of a technical drafting panel?	No. We are concerned that the drafting runs the risk of being lower quality as a result. If the Authority continues with this approach, we think there should be at least one more round of "technical" consultation where Participants can submit on the quality of the Code manifestation of final policy decisions – once those are made. See also the comments in the body of our submission.
13	Do you support the Authority's rationale	Our concern is more that the Authority did not seem to have consulted with the Commission regarding the

	for not providing compensation to distributors when they enter into new UoSAs based on the MUoSAs?	impact of the proposed changes on distributors under the regulatory regime, or if it has then one or both parties have failed to recognise the issues involved. Nevertheless, one way or another, consumers will end up paying the increased costs.
14	Do you support the Authority's rationale for retaining the proposal to remove the minimum capacity restriction relating to the ability for distributors to enter into distribution services agreements with consumers?	Yes. As far as Orion is concerned, for our "Major" connection category (about 400 connections with capacity greater than 300kVA) at least, whether Consumers contract directly with us or via a retailer is their choice. Some do and some don't. Where we have made significant specific investment to support a large connection we usually insist on contracting directly for the delivery service, and we suspect retailers prefer this approach in any case.
15	Do you agree with the Authority's position on early termination risk in the context of interposed UoSAs?	Provided retailers understand the nature of their business we don't see this is an issue that they cannot manage. However, were we to face a significant risk of the type described we would probably see this as sufficient reason to contract directly with the customer, and for the retailer to refuse to interpose itself. We note there is no way for distributors to avoid their ongoing financial obligations to Transpower where customers go away, as has happened to Orion on a significant scale as a result of the earthquakes.
16	Do you support the Authority's approach to not draft a comprehensive embedded network MUoSA, but to instead set out drafting guidance for adapting the interposed and conveyance MUoSAs for embedded network use?	The Authority needs to be careful that it does not create perverse incentives for parties to create embedded networks just because the contractual obligations are less.
17	Do you support the Authority's position to retain the equal access and even-handed treatment clauses as key elements in achieving the objectives of more standardisation of distribution service terms and enhanced retail competition?	As we understand it, standardisation is about aligning the way the *various* distributors interact with retailers, not how *any particular* distributor interacts with all contracted (and prospective) retailers. Each distributor could treat all retailers exactly the same, but that could be completely different to the way every other distributor interacts with those retailers. That does not look like standardisation to us? We have submitted before on the question of whether we are indeed supposed to be maintaining an "open access" network, and how this becomes more commercially challenging the less we are able to "negotiate"

		in the normal sense of that word. We have noted that, for a distributor, new retailers bring only additional cost, and almost inevitably following the recent Code changes, additional risk. There are thus no commercial benefits for the distributor and, one way or another, the additional cost and risk should find its way to consumers. This might be offset by lower prices or other attributes of the retail offering that benefit the consumer, but that does not provide a commercial business case for the distributor. The new (less robust) prudential requirements are an interesting example in this respect. No-one would argue that all retailers should have the same prudential requirements applied irrespective of credit quality, yet the Code effectively removes distributors' ability to maintain a material and reasonable difference (of up to, say, two months' charges) between them. In other words the Code changes require us to treat retailers inequitably, and at increased risk to us. We have thought about ways to address this, but only one strikes us as even handed, which is that, where we require the additional security from an extra risky retailer (as permitted under Schedule 12A.5), we pay the required premium, and then charge the same risky retailer that premium cost back by way of a new "credit support" fee. However we suspect that this was not the Authority's intention in making the Code changes, and that such a move on our part to appropriately manage risk would be seen as contrary to that intention. We would thus have to introduce the credit support fee as a charge to all retailers regardless of credit quality, but we do not see it as equitable to do this, and we would likely face considerable resistance to our doing so in a transparent fashion. Yet the same thing – sharing of the cost across all retailers and consumers – is what will happen, eventually, if we are not transparent. In terms of dealing with legacy agreements that advantage "incumbent" retailers over others, we are not sure how the MoUSA and its even handedness provisions can change these, since presumably the advantage is enshrined in the agreement and cannot be made available to other retailers by the distributor without breaching the agreement with the "incumbent" retailer? If this is an important issue the Authority may need to consider more direct approaches.
18	Do you have any further concerns in respect of the losses and loss factors provisions in the MUoSAs?	We have no *further* concerns. However we re-iterate our previous concerns about the guideline's approach of calculating loss factors that include both technical and non-technical components. We have no particular knowledge that enables us to calculate non-technical losses, nor comment usefully on them. We believe loss factors calculated in line with the guidelines simply conceal what is more appropriately classified as UFE. Moreover we do not and will not agree to investigate "trends" in non-technical losses as anticipated in clause 7.5 of the MoUSA, as this is both a further cost with no benefit and, more importantly, a subject that

		we cannot usefully contribute to. Retailers are well placed, well incentivised and free to do this, cooperatively if they wish. We think this clause in the model reflects very old thinking, and pre-dates global reconciliation. It should be removed from the model, or at least clearly marked as an optional and chargeable service. More generally we suggest that the whole approach to loss factors could usefully be re-considered in the light of experience with global reconciliation. Are loss factors needed at all? They cannot change the *total* amount of energy purchased or its cost, and we doubt they can have a materially different affect *across* the various retailers.
19	What further drafting improvements do you think that should be made to the billing clauses of the interposed MUoSA?	We have previously submitted that "billing methodology" is not the correct term to describe the format and business rules for the data used to support distributor billing. We note that the latest draft of the MUoSA uses "reporting methodology", which is better, but we still consider that "file format" is a more accurate expression.
20	What further drafting improvements should the Authority consider in the billing services clauses of the conveyance MUoSA?	We have no comments on this.

Appendix 2: MUoSA Interposed Response

Note: Orion has made a number of submissions on the detailed MUoSA clauses over the years. We do not repeat these all here, but refer the Authority to those previous submissions and in particular to our submission of 6 October 2011: "Submission on further standardisation papers part 2" for more detailed discussion. In some areas below where we state "No further comment" this should not be taken as an indication that we have withdrawn our previous comments, only that we have nothing *further* to say at this time.

Clause	**Proposed MUoSA Interposed clause reference and comment**
Introduction A, B, C	Does the agreement need to confirm that parties are bound by the Code? Moreover to the extent that they are covered by the Code, some aspects do not need to be in the agreement. For example the whole section on losses and loss factors?
1. Term of Agreement	Orion considers that its alternative approach – an evergreen agreement - is superior, for both parties. If the Authority is successful and many new retailers start up, distributors could easily have, say, 20 agreements in place, which on a five year term, even with an (unlikely) even spread would mean 4 agreements were reviewed each year. That is a significant potential cost.
2. Services	We note that the reference to good industry practice has not been reinstated. It should be. 2.1 (e): is largely a Code requirement and to that extent does not need to be in the agreement. We reject the obligation to help identify abnormal trends in non-technical losses. Likewise 2.2(g): we do not see that retailers should be obliged *by the agreement* to do anything with respect to non-technical

Clause	Proposed MUoSA Interposed clause reference and comment
	losses. 2.1 (h): there are other important attributes of quality, such as harmonics, and frequency is not one within the control of the distributor.
3. Conveyance only	No further comment.
4. Equal access and even-handed treatment	See our comments above. Regarding 4.2 to 4.3, we consider that 12 months is too long for a retailer to be able to consider taking up a new agreement. If there is indeed a dynamic contracting environment there could easily be one or more further contracts entered into by the distributor in the period. We think that a superior approach is that the *latest* version of the contract is always available for a retailer to take up, but not any version that is signed in a 12 month period.
5. Service interruptions	5.4(e) and (f) seem unnecessary given the general obligation to comply with the Code?
6. Load management	See our responses to questions 5 to 8.
7. Losses and loss factors	Distributor Loss factor obligations are defined in the Code. We don't agree that distributors should be obliged by the agreement to do anything with respect to non-technical losses unless they have

Clause	Proposed MUoSA Interposed clause reference and comment
	contributed to them in some way. Distributors should have the same discretion with respect to calculation or allocation of loss factors that they have with respect to pricing categories. That is the distributor's sole discretion, acting reasonably.
8. Service performance reporting	No further comment.
9. Process for changing and applying prices	Yes they are prices not tariffs. Orion does not have tariffs. Tariffs are applied to imports. This section has become very confused as it rather implies that a tariff rate is a singular, when application of a connection or pricing category usually implies the application of two or more prices to a connection or the associated chargeable quantities. This also means that a single "standard tariff code" cannot be applied to a tariff rate. The preceding version of the MoUSA was superior in this respect, and acceptable to Orion. 9.2: we note and agree with the materiality test.
10. Price category and tariff	Similar comments apply here as to 9.

Clause	Proposed MUoSA Interposed clause reference and comment
options	10.2: This appears to be an improvement over the previous version as it establishes that distributors have sole discretion, acting reasonably. However the title of 10.3 is leading as "inappropriate" is a given when it must at least be arguable. 10.4: What if there is a *debit* following correction?
11. Billing information and payment	We don't think there is such a thing as a purely "GXP priced" network. Certainly Orion is not. 11.1(c) (GXP version): by definition that will not (for every component) involve ICP level calculation. Surely (c) can be the same in all cases by saying that "the distributor will calculate charges by applying the prices to the chargeable quantities."? 11.3: the clause should allow for billing in advance, and provide for (even handed) optionality around use of money adjustments in relation to washups.
12. Prudential requirements	For the record Orion restates its position that the prudential security requirements in the Code are poorly conceived in principle and inadequate in quantum. They specifically socialise retailer risk across all consumers. As discussed above (see paragraphs 12 to 14 and our response to question 17) we are unsure how to recover any costs associated with the requirement to compensate a retailer when additional security is

Clause	Proposed MUoSA Interposed clause reference and comment
	required by the distributor. Consistent with the lack of principle underlying the Code change, we presume this should be charged to all retailers in some way, rather than just to the party creating the cost, but this appears to fall foul of the equitable treatment obligation as all retailers would be charged in relation to a cost caused only by some?
13. Access to the consumer's premises	No further comment.
14. Interference with equipment and theft of electricity	No further comment.
15. Network connection standards	Note that this is where Orion's mandatory relay requirements are set out.
16. Momentary fluctuations	Should this be revisited in light of the Consumer Guarantees Act indemnity clause? This clause (16) is very much within the context of Electricity as a service, and does not sit well with the CGA indemnity which is based on the (mis) conception of electricity as a good.

Clause	Proposed MUoSA Interposed clause reference and comment
17. Consumer service lines	No comment.
18. Tree trimming	No further comment.
19. Connections, disconnections and decommissioning ICPs	No further comment.
20. Breaches and events of default	With the reduction in the prudential security that distributors can require it is considerably more likely that the conditions in 20.2 will apply, and therefore that the distributor will act more quickly to invoke its rights under 20.1, with all associated consequences.
21. Termination of agreement	21.1 (a): As with "Term" we believe Orion's "evergreen" approach is superior.
22. Confidentiality	No further comment.
23. Force majeure	No further comment.

Clause	Proposed MUoSA Interposed clause reference and comment
24. Amendments to agreement	In line with "Term", we consider that the distributor should be able to make unilateral changes to the agreement that are not materially detrimental to the retailer.
25. Dispute resolution procedure	No further comment.
26. Liability	See comments in the body of our submission and in response to questions 1 to 4.
27. Consumer contracts	
28. Notices	No further comment.
29. Electricity Information Exchange Protocols	No further comment.
30. Miscellaneous	No further comment.

Clause	Proposed MUoSA Interposed clause reference and comment
31. Interpretation	No further comment.
Schedule 1. Service standards	No further comment.
Schedule 2. Additional services	No further comment.
Schedule 3. EIEPs	No further comment.
Schedule 4. Consumer contracts	No further comment.
Schedule 5. Service interruption communication policies	No further comment.

Clause	Proposed MUoSA Interposed clause reference and comment
Schedule 6. Connection policies	No further comment.
Schedule 7. Pricing principles	Is this necessary given the Authority's published principles and guidelines?
Schedule 8. Load management	No further comment.
Schedule 9. Pricing schedule and policy	No further comment.