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Gas Industry Company Limited
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By email: info@gasindustry.co.nz

Dear Gas Industry Company,

Gas Metering Review

Thank you for the opportunity to comment on the Gas Industry Company's (**GIC**) Gas Metering Review (**Metering Review**).

Contact supports the Metering Review, and the promotion of competition through the roll-out of advanced gas meters. We do consider, however, issues around customers' consumption data ownership, privacy, and security need careful consideration. We believe the roll out of advanced gas meters would benefit from the lessons learned in the electricity sector.

We provide our specific responses to the GIC's questions in the Appendix below.

Kind regards

David Gendall
Legal Counsel & Regulatory Advisor

Appendix

Gas Metering Review

Submission prepared by: Contact Energy Limited

QUESTION	COMMENT
<p>Q1: Do you agree with this assessment? Why or why not?</p>	<p>We agree with the assessment and reasons provided in the Metering Services Paper.</p> <p>Contact's current model for dealing with one party to provide metering and network services is primarily due to operational efficiencies and a seamless customer experience.</p>
<p>Q2: Do you have experience with preferred supplier provisions in a GMSA? If so, what effect do you think it has on the market for metering services? Are there any other comments you wish to make about these provisions?</p>	<p>Preferred supplier clauses, by their nature, create barriers to entry (limit competition) for new competitors, but while there is no price or service differentiation in the market, there is no incentive on either party to invoke the clauses.</p>
<p>Q3: Do you have any observations or comments to make about new connections service request processes? Are they fair, or do they unduly favour certain meter owners?</p>	<p>We agree with the assessment and reasons provided in the Metering Services Paper.</p> <p>Due to the ease with which this process works and again, with no service or price differentiator significant enough to warrant a change, there has been little incentive on retailers to build an alternative system/process.</p>
<p>Q4: Do you agree that a model GMSA and benchmark terms are not required? Why or why not?</p>	<p>With the advent of smart gas metering, the market will open up to new competitors, which currently, have a limited ability to enter the market.</p> <p>A model GMSA would be a good baseline to start negotiations and would help ensure the alignment of terms, services and operations in the future world of advanced (smart) gas metering, while still allowing the parties to customise the GMSA.</p>

QUESTION	COMMENT
<p>Q5: Given that the template GMSAs for the two largest providers are already broadly aligned, do you consider it likely that a similar outcome will be achieved for GMSAs for advanced metering services? If that outcome were not achieved, what issues would arise for you and would these be significant in terms of cost or efficiency?</p>	<p>Legacy gas metering has been around for years and the services, operations and costs are largely defined, hence the similarities between the two GMSAs</p> <p>The roll out of advanced gas meters will significantly change the gas metering landscape in NZ, specifically in regard to cost and efficiency.</p> <p>Without a baseline of common terms, standards, services and processes (e.g. in the form of a model GMSA), the gas industry may find different requirements from each metering service provider, which would require a lost cost outlay from the retailers to ensure that their systems worked with the metering service providers new systems.</p>
<p>Q6: Why do you think retailers may not be amenable to moving to separate network and metering services agreements?</p>	<p>Potentially, the only reason why retailers may not be amenable to separate agreements is if the industry remained as it is in its current form where, by default, retailers choose the same metering service provider as the network owner.</p> <p>But, if/when the industry becomes more competitive and there is a clear price and services differentiation between service providers, retailers will want to have separate agreements so that we can select the service provider that provides the best value and service for the end customers, notwithstanding the network monopoly in a particular area.</p>
<p>Q7: What is required to incentivise a move to signed, separate network and metering services agreements and what is the best path to achieving that? Alternatively, is this a matter best left to the parties themselves?</p>	<p>A roll out of advanced gas meters would be a good incentive to enter into separate agreements, especially if there was a good price and service differentiator between the parties.</p> <p>If a model GMSA were presented, this may open doors to other gas metering service providers to enter the market.</p>
<p>Q8: Do you have any views on these issues? Are they issues that Gas Industry Co should advance, and if so, what do you suggest?</p>	<p>We would like to see the 2 items listed in the Review paper implemented by means of a GIC Regulation amendment.</p>
<p>Q9: Are there any other comments or feedback you would like to provide in relation to metering services agreements?</p>	<p>The current way of doing business does not drive innovation or attract new entrants to the market.</p> <p>We would support the same/similar activity in the gas market as there is in the electricity market, which consistently looks towards driving innovation, services and prices that reflect the services.</p>
<p>Q10: Do you have any comments or observations about the state of the advanced gas metering market?</p>	<p>None</p>

QUESTION	COMMENT
Q11: Do you agree with this assessment?	Agreed.
Q12: Should Gas Industry Co request that the File Formats Working Group develop a standard construct for advanced metering services and a minimum dataset (and provide assistance to reconstitute the group to include meter owners)?	We agree that a standard construct and a minimum dataset should be set by a working group under the auspices of the GIC, with the clear understanding that retailers may still, independently, request a particular format (within the boundaries set by the working group) they want from each metering service provider.
Q13: Do you agree with this assessment?	<p>We agree that customers should always have access to their data, in a similar way that electricity customers have access to their data.</p> <p>At present, access to consumption data is a major topic in the energy sector, and needs to be specifically dealt with in the gas sector and between the parties in whatever format their GMSAs take. In particular, all parties must take into account the contents of the recent letter from the Privacy Commissioner on this particular issue.</p>
Q14: Do you consider that there are registry-related issues that still need to be addressed to support the deployment of advanced gas meters? If so, please describe the issues that arise and how changes to the registry could resolve them.	<p>Yes. The registry information and the interfaces between participants should be updated to reflect the new world of Smart Metering. We suggest that an industry working group is formed to investigate the AMI metering options, capabilities and limitations so that the registry can support AMI Metering. Issues that see (at a minimum) that would need to be addressed are:</p> <ul style="list-style-type: none"> • smart-capable metering needs to be easily identified; • whether the metering is in communication, or not; • the capability of the meter (disconnections/reconnections, reading, temp etc.) as not all smart meters will provide the same functionality.
Q15: Are there any other comments you would like to make about the Advanced Metering Paper – or about advanced metering in general?	<p>We propose that the GIC:</p> <ul style="list-style-type: none"> • Ensures that NZS 5259 is amended to cater for additional functionality for advanced gas meters (e.g. to cover prepay and remote disconnections/reconnections); and • Arranges that WorkSafe is included in an industry discussion on agreed safety standards and procedures regarding remote disconnections/reconnections, which WorkSafe would then approve.
Q16: Are there any issues in relation to gas metering-related consumer complaints that you wish to raise?	None.