Reference number(s)	**001 – Electrical Connection and Disconnection of Points of Connection**
Relevant Clause(s)	Clause 10.29 – When grid owner may connect point of connection to grid Clause 10.29A – When grid owner may temporarily electrically connect point of connection to grid Clause 10.30 – When distributor or embedded network owner may connect NSP that is not point of connection to grid Clause 10.30A – When distributor may temporarily electrically connect NSP that is not point of connection to grid Clause 10.31 – When distributor may connect ICP that is not NSP Clause 10.31A – When distributor may temporarily electrically connect ICP that is not NSP Clause 10.31B – When distributor may electrically connect ICP that is not NSP[1] Clause 10.33 – When reconciliation participant may temporarily electrically connect point of connection Clause 10.33A – When reconciliation participant may electrically connect point of connection Clause 19 of Schedule 11.1 – "Inactive status"
Problem definition	<u>Problem 1</u> Clauses 10.30 and 10.30A of the Code set out, respectively, when a distributor or embedded network owner may: a) connect an NSP that is not a point of connection to the grid b) temporarily electrically connect an NSP that is not a point of connection to the grid. The Energy Innovation (Electric Vehicles and Other Matters) Amendment Act 2017 (Energy Innovation Act) means these clauses are now less clear. Amongst other things, the Energy Innovation Act amended the Electricity Industry Act 2010 (Act) to clarify that secondary network providers are captured by the Act's definition of "distributor". Since the Code adopts this definition, an embedded network owner, as a secondary network provider, is a distributor for the purposes of the Code. Therefore, the reference to "distributor" in clauses 10.30 and 10.30A includes embedded network owners. These clauses are intended to refer to local network owners and embedded network owners. The clauses use the term "distributor" to refer to a local network owner. The clauses' intended differentiation between local network owners and embedded network owners is less clear since the Energy

[1] Clause 10.31B has been approved by the Authority but has not yet been gazetted, and will likely be gazetted during the consultation period. This consultation is based on 10.31B in the form approved by the Authority.

	Innovation Act became law. This is because any reference to “distributor” in the Code now includes embedded network owners in its meaning. Problem 2 Clause 10.33 of the Code sets out when a reconciliation participant may: a) temporarily electrically connect an ICP or an NSP b) authorise the temporary electrical connection of an ICP or an NSP. Clause 10.33A of the Code sets out when a reconciliation participant may: a) electrically connect an ICP or an NSP b) authorise the electrical connection of an ICP or an NSP. Part 1 of the Code defines a reconciliation participant to mean a participant (excluding the Authority, even if the Authority acts as a market operation service provider, and the Rulings Panel) who is any of the following: a) a retailer when purchasing electricity from, or selling electricity to, the clearing manager b) a generator c) a network owner d) a distributor e) a person who purchases electricity from or sells electricity to the clearing manager. The use of “reconciliation participant” in clause 10.33 is not appropriate because the Code provides for the appropriate network owners and distributors to temporarily connect a point of connection elsewhere. Specifically: a) clause 10.29A specifies when a grid owner may temporarily electrically connect a point of connection to the grid b) clause 10.30A specifies when a distributor may temporarily electrically connect an NSP that is not a point of connection to the grid. The policy intent underpinning clause 10.33 is that a trader, rather than a reconciliation participant, may temporarily electrically connect an ICP or NSP. Part 1 of the Code defines a trader to mean a retailer or a generator or a purchaser who— a) buys electricity from the clearing manager; or b) sells electricity to the clearing manager; or c) enters into an arrangement with another retailer or generator or purchaser to buy or sell contracts (or parts of contracts) for electricity for the purposes of the Code. The Authority believes the use of “reconciliation participant” in clause 10.33A may be inadvertently causing confusion for participants. For

	example, in relatively recent times a distributor closed an interconnection point without being requested by the reconciliation participant responsible for the interconnection point. At the time, the metering at the interconnection point was out of service for maintenance. The reconciliation participant responsible for the interconnection point did not notice the distributor's actions for several days, at which point electricity volumes at the interconnection point had to be estimated. Any such confusion could be removed by setting out in separate clauses when a trader, a distributor, and a grid owner may electrically connect a point of connection. <u>Problem 3</u> The example above about the interconnection point also raises a related issue. Currently, clauses 10.31B and 10.33A do not require there to be a certified and operational metering installation at an NSP that is not a point of connection to the grid, before that NSP is electrically connected. <u>Problem 4</u> Under clauses 10.33(1)(a) and 10.33A(1)(a), respectively, only a trader recorded in the registry as being responsible for an ICP may: a) temporarily electrically connect the ICP b) electrically connect the ICP. This means that a gaining trader at an electrically disconnected ICP will be in breach of the Code if it electrically connects the ICP before the switch is completed.[2] A delay in electrically connecting an electrically disconnected ICP is an inconvenience for the customer or embedded generator at the ICP. To avoid this inconvenience, retailers have informal arrangements with each other to allow electrical connection of an electrically disconnected ICP with an incoming customer, prior to the switch completing. This practice ensures customers are not inconvenienced. This practice may, however, inconvenience the losing trader at the ICP unless the event date for the ICP switch is set to be the same date the gaining trader arranges for the ICP to be electrically connected. Should this not occur, the losing trader may end up purchasing electricity from the wholesale market for consumption at the ICP, but with no contractual means to invoice the consumer at the ICP. Aligning the switch event date with the date the incoming trader arranges to electrically connect the ICP requires the gaining trader to inform the losing trader of the date of electrical connection. In addition, there are no protections for the losing trader if the switch is later withdrawn, or the ICP was electrically connected in error. <u>Problem 5</u>

[2] This practice is commonly referred to in the electricity industry as "reconnecting" the ICP.

	The Authority has received, and subsequently considered, a complaint that a trader electrically disconnected another trader's ICP. The Code implies this is prohibited, because only the relevant trader is allowed to change an ICP's status in the registry (see clause 19 of Schedule 11.1). However, there is no explicit Code provision preventing a trader from electrically disconnecting, or physically disconnecting, another trader's ICP / point of connection. Therefore, in relation to the above complaint, the Authority found the electrical disconnection was not a breach of the Code. When a trader electrically disconnects the wrong point of connection, the issue is usually resolved between the relevant traders. The Authority acknowledges this typically happens. However, without a specific prohibition on electrically disconnecting the wrong point of connection, there is no compliance process for a trader to rely on if it is unable to agree a resolution with the other trader. Similarly, a trader cannot fall back on the compliance process if a distributor electrically disconnects the trader's point of connection for reasons other than set out in the distributor's agreement with the trader or consumer (which will include the reasons set out in Part 8 of the Code).
Proposal	<u>Problem 1</u> To address problem 1, the Authority proposes to amend clauses 10.30 and 10.30A to clarify that the types of distributor each clause is referring to are: a) local network owners b) embedded network owners. <u>Problem 2</u> To address problem 2, the Authority proposes to: a) replace "reconciliation participant" in clauses 10.33 and 10.33A with "trader" b) create new clauses 10.29B and 10.30B to: (i) explicitly set out when a grid owner or distributor may electrically connect an NSP and to provide that only a grid owner or distributor may do so (except where clause 10.33A (electrical connection by trader) applies). <u>Problem 3</u> To address problem 3, the Authority proposes to require a distributor that initiates an NSP under Part 11 to ensure a certified metering installation is in place and operational at an NSP that is not a point of connection to the grid, before: a) electrically connecting the NSP; or b) authorising the electrical connection of the NSP. <u>Problem 4</u>

	To address problem 4, the Authority proposes to amend clause 10.33A as follows: a) to explicitly permit a gaining trader to electrically connect an electrically disconnected ICP where the trader is not recorded in the registry as being responsible for the ICP, provided the gaining trader: i) has an arrangement with a customer or embedded generator at that ICP ii) has initiated a switch within 2 business days of the time of electrical connection and at the same time or before, advises the losing trader of the date of the electrical connection (to enable the losing trader to set the switch event date to be the same date as when the electrical connection occurs) iii) accepts responsibility for the electricity conveyed at that ICP from the time of electrical connection. b) in the situation where a gaining trader electrically connects an electrically disconnected ICP in error, or the switch is withdrawn or reversed, to require the gaining trader to: i) restore the ICP to being "electrically disconnected", using the same method used by the losing trader ii) reimburse any direct costs of the losing trader. The same changes as in paragraph (a) above are also proposed to clause 10.33 (temporary electrical connection by trader of a point of connection). <u>Problem 5</u> To address problem 5, the Authority proposes to: a) Insert new clauses 10.29C, 10.30C, and 10.31C into the Code to expressly set out the circumstances under which a distributor or grid owner may electrically disconnect, or physically disconnect, a point of connection the distributor or grid owner is responsible for. b) Insert new clause 10.33B into the Code, to expressly prohibit a trader from electrically disconnecting, or physically disconnecting, an ICP the trader is not responsible for.
Proposed Code amendment	**<u>10.29B Grid owner may electrically connect point of connection to grid</u>** <u>(1) Subject to clause 10.33A, only a **grid owner** may **electrically connect** a **point of connection** to the **grid** that it owns or operates.</u> <u>(2) A **grid owner** may only **electrically connect** a **point of connection** under subclause (1) if</u> <u>(a) in the case of the **electrical connection** of a **direct consumer** or **grid** connected **generator**, there is a **trader** identified as responsible under Part 15 for the delivery of **submission information** for the **electricity** conveyed at the **point of connection** from the time of **electrical connection**.</u>

(b) in the case of the **electrical** connection of a **local network** that has one or more **consumers** connected to the **local network** or to an **embedded network** that is connected to the **local network** (either directly or through another **embedded network**), one or more **traders** are identified as responsible under Part 15for the delivery of **submission information** for the **electricity** conveyed at the **point of connection** from the time of **electrical connection**.

(c) in the case of the **electrical connection** of a **local network** that has no **consumers** connected to the **local network** or to an **embedded network** that is connected to the **local network** (either directly or through another **embedded network**), if the **distributor** for that **local network** is identified as responsible under Part 15 for the delivery of **submission information** for the **electricity** conveyed at the **point of connection** from the time of **electrical connection**.

Disconnecting and electrically disconnecting points of connection to the grid

10.29C Grid owner may electrically disconnect or disconnect point of connection to grid

(1) Subject to subclause (2), a **grid owner** may—

(a) **electrically disconnect** the **point of connection**; or

(b) disconnect the **point of connection** ; or

(2) A **grid owner** may take one of the actions under subclause (1) in respect of a **point of connection** to the **grid** that it owns or operates only if the action is required for the **grid owner** to meet its obligations—

(a) under an enactment, including this Code; or

(b) under its contract with the party or parties identified in clause 10.29B(2) as responsible in accordance with Part 15 for the delivery of **submission information** for the **electricity** conveyed at the **point of connection** to the **grid**.

10.30 When ~~distributor~~local network owner or embedded network owner may connect NSP that is not point of connection to grid

(1A) Only a ~~**distributor**~~**local network** owner that initiates, under Part 11, the creation of an **NSP** on ~~the **distributor's**~~ its **local network** that is not a **point of connection** to the **grid** may connect the **NSP** to—

(a) an **embedded network**, but only if the **embedded network**

owner has agreed to the connection; or

(b) another **local network**, but only if the owner of the other **local network** ~~owner~~ has agreed to the connection.

(1B) Only an **embedded network** owner that initiates, under Part 11, the creation of an **NSP** on its **embedded network—**

(a) may connect the **NSP** to another **embedded network**; but

(b) can only do so if the other **embedded network** owner has agreed to the connection.

(1) ~~Despite subclause (1A), a~~A **~~distributor~~local network** owner or an **embedded network** owner must not connect an **NSP** on its **network** under subclause (1A) or (1B) ~~that is not a **point of connection** to the **grid**~~ unless requested to do so by the **reconciliation participant** responsible for ensuring there is a **metering installation** for the ~~**point of connection**~~**NSP**:

(2) A ~~**distributor**~~**local network** owner or an **embedded network** owner must, within 5 **business days** of connecting an **NSP**, advise the **reconciliation manager** of the following:

(a) the **NSP** that has been connected; and

(b) the connection date; and

(c) the **participant identifier** of the **metering equipment provider** for each **metering installation** for the **NSP**; and

(d) the **certification** expiry date of each **metering installation** for the **NSP**.

10.30A When ~~distributor~~local network owner or embedded network owner may temporarily electrically connect NSP that is not point of connection to grid

(1) Subject to clause 10.33, only a ~~**distributor**~~**local network** owner that initiates, under Part 11, the creation of an **NSP** on ~~the **distributor's**~~ its **local network** that is not a **point of connection** to the **grid** may temporarily **electrically connect** the **NSP** to—

(a) an **embedded network**, but only if the **embedded network** owner has agreed to the temporary **electrical connection**; or

(b) another **local network**, but only if the owner of the other **local network** ~~owner~~ has agreed to the temporary **electrical connection**.

(2) Subject to clause 10.33, only an **embedded network** owner that initiates, under Part 11, the creation of an **NSP** on its **embedded network—**

(a) may temporarily **electrically connect** the **NSP** to another **embedded network**; but

(b) can only do so if the other **embedded network** owner has agreed to the temporary **electrical connection**.

(3) A ~~**distributor**~~**local network** owner or an **embedded network** owner may only temporarily **electrically connect** an **NSP** under subclause (1) or (2) ~~that is not a **point of connection** to the **grid**~~ if a **metering equipment provider** requests that the ~~**distributor**~~**local network** owner or **embedded network** owner temporarily **electrically connect** the **NSP** for the purposes of**—**

(a) **certifying** a **metering installation** at the **NSP**; or

(b) maintaining, repairing, testing, or **commissioning** a **metering installation** at the **NSP**.

(4) Despite subclause (3), a **metering equipment provider** must not request that a ~~**distributor**~~**local network** owner or an **embedded network** owner temporarily **electrically connect** an **NSP** under subclause (1) or (2)~~that is not a **point of connection** to the **grid**~~ unless—

(a) the **reconciliation participant** responsible for the **NSP** authorises the **metering equipment provider** to do so; and

(b) the **metering equipment provider** has an arrangement with that **reconciliation participant** to provide **metering** services.

10.30B When distributor may electrically connect NSP that is not point of connection to grid

(1) Subject to clause 10.33A, only a **distributor** may, on its **network**, **electrically connect** an **NSP** that is not a **point of connection** to the **grid**.

(2) A **distributor** may only **electrically connect** an **NSP** under subclause (1) that is not an **interconnection point** between two **local networks**, if—

(a) each **distributor** whose **network** is directly connected to the **NSP** has agreed to the **electrical connection**; and

(b) for an **embedded network**, one or more **traders**:

(i) are identified as responsible under Part 15 for the delivery of **submission information** for the **electricity** conveyed at the **NSP** from the time of **electrical connection**; and

(ii) that **trader** or those **traders** have requested the **electrical connection**; and

(iii) that **trader** or those **traders** have confirmed to the **distributor** that the **metering installation** at the **NSP** is **certified** and operational.

(3) A **distributor** may only **electrically connect** an **NSP** under

	subclause (1) that is an interconnection point between two **local networks**, if the **reconciliation participant** responsible for the delivery of **submission information** for the **NSP**: (a) has requested the **electrical connection**; and (b) has confirmed the **metering installation** at the **NSP** is **certified** and operational. *Disconnecting and electrically disconnecting NSPs* **10.30C Distributor may electrically disconnect or disconnect NSP that is not point of connection to grid** (1) Subject to subclause (2), a **distributor** may— (a) **electrically disconnect** an **NSP** that is not a **point of connection** to the **grid**; or (b) disconnect an **NSP** that is not a **point of connection** to the **grid**. (2) A **distributor** may take one of the actions under subclause (1) only if the action is required for the **distributor** to meet its obligations— (a) under an enactment, including this Code; or (b) under its contract with the **trader** or **traders** responsible for the delivery of **submission information** under Part 15 for the **electricity** conveyed at the **NSP**. *Disconnecting and electrically disconnecting ICPs* **10.31C Distributor may electrically disconnect or disconnect ICP that is not an NSP** (1) Subject to subclause (2), a **distributor** may— (a) **electrically disconnect** an **ICP** that is not an **NSP**; or (b) disconnect an **ICP** that is not an **NSP**. (2) A **distributor** may take one of the actions under subclause (1) only if the action is required for the **distributor** to meet its obligations— (a) under an enactment, including this Code; or (b) under its contract with the **trader** recorded in the **registry** as being responsible for the **ICP**; or (c) under its contract with the **consumer** at the **ICP**. **10.33 When ~~reconciliation participant~~ trader may temporarily electrically connect point of connection**

(1) A ~~**reconciliation participant**~~ **trader** may temporarily **electrically connect** a **point of connection**, or ~~authorise~~ a **metering equipment provider** authorised by a **trader** under subclause (2) may ~~to~~ temporarily **electrically connect** a **point of connection** ~~under subclause (2)~~, only if—

(aa) for an **NSP** that is a **point of connection** to the **grid**, the **grid owner** has approved–

(i) the **trader** temporarily **electrically connecting** the **point of connection**; or

(ii) the **trader** authorising the temporary **electrical connection** of the **point of connection**:

(ab) for an **NSP** that is not a **point of connection** to the **grid**, the **distributor** that gave notice to the **reconciliation manager** under clause 25 of Schedule 11.1 has approved–

(i) the **trader** temporarily **electrically connecting** the **point of connection**; or

(ii) the **trader** authorising the temporary **electrical connection** of the **point of connection**:

(a) for a **point of connection** that is an **ICP**, but which is not an **NSP**,–

(i) either:

(A) the ~~**reconciliation participant**~~ **trader** is recorded in the **registry** as being responsible for the **ICP**; ~~and~~ or

(B) if the **ICP** has been **electrically disconnected**, the **trader**–

(1) has an arrangement with a customer or **embedded generator** at the **ICP**; and

(2) initiates a switch under one of clauses 2, 9, or 14 of Schedule 11.3 within 2 **business days** of the time of **electrical connection**; and

(3) accepts responsibility to provide **submission information** under Part 15 for the **electricity** conveyed at the **ICP** from the time of **electrical connection**; and

(~~b~~ii) if the **ICP** has metered load, 1 or more operational **certified metering installations** are ~~in place~~ connected at the **ICP** in accordance with this Part; and

(~~c~~iii) ~~in the case of an~~if the **ICP** ~~that~~ has not previously been **electrically connected**, the owner of the **network** to which the **point of connection** is connected has given written approval ~~of~~ to the temporary **electrical connection**.

(2) A ~~**reconciliation participant**~~ **trader** described in subclause (1)~~(a)~~ may authorise a **metering equipment provider**, with which the ~~**reconciliation participant**~~ **trader** has an arrangement, to request the temporary **electrical connection** of a **point of connection** only for the purposes of—

(a) **certifying** a **metering installation** at the **point of connection**; or

(b) maintaining, repairing, testing, or **commissioning** a **metering installation** at the **point of connection**.

(3) *[Revoked]*

(4) *[Revoked]*

10.33A When ~~reconciliation participant~~ trader may electrically connect point of connection

(1) A ~~**reconciliation participant**~~ **trader** may **electrically connect** a **point of connection**, or another participant authorised by a **trader** may **electrically connection** ~~of~~ a **point of connection**, only if–

(aa) for an **NSP** that is a **point of connection** to the **grid**, the **grid owner** has approved—

(i) the **trader electrically connecting** the **point of** connection to the **grid** that the **grid owner** owns or operates; or

(ii) the **trader** authorising the **electrical connection** of the **point of connection** to the **grid** that the **grid owner** owns or operates:

(ab) for an **NSP** that is not a **point of connection** to the **grid**, the **distributor** that gave notice to the **reconciliation manager** under clause 25 of Schedule 11.1 has approved—

(i) the **trader electrically connecting** the **point of connection** to the **network** that the **distributor** owns or operates; or

(ii) the **trader** authorising the **electrical connection** of the **point of connection** to the **network** that the **distributor** owns or operates:

(a) for a **point of connection** that is an **ICP**, but which is not an **NSP**,—

(i) Either:

(A) the ~~**reconciliation participant**~~ **trader** is recorded in the **registry** as being responsible for the **ICP**; or

(B) if the **ICP** has been electrically **disconnected**, the **trader**—

(1) has an arrangement with a **customer** or **embedded generator** at the **ICP**; and

(2) initiates a switch under clause 2, 9 or 14 of Schedule 11.3 within 2 **business days** of the time of **electrical connection**; and

(3) accepts responsibility to provide **submission information** in accordance with Part 15 of this Code for the **electricity** conveyed at the **ICP** from the time of **electrical connection**; and

(iii) if the **ICP** has metered load, 1 or more operational

certified metering installations are ~~in place~~connected at the **ICP** in accordance with this Part; and

(iv) ~~in the case of an~~if the **ICP** ~~that~~ has not previously been **electrically connected**, the owner of the **network** to which the **point of connection** is connected has given written approval of the **electrical connection**:

(b) if a **point of connection** supplies electricity to a load that is assigned to multiple ICPs as **shared unmetered load**, the **distributor** to whose **network** the **point of connection** is connected has advised all **traders** that are assigned the **shared unmetered load** of the **trader's** intention to **electrically connect** the **point of connection**.

(2) Further to subclause (1), ~~A~~a ~~**reconciliation participant**~~ **trader** described in subclause (1)(a)(i)—

(a) may authorise the **electrical connection** of an **ICP** if—

(i) a **metering installation** is in place at the **ICP**; and

(ii) the **metering installation** is operational but not **certified**; and

(iii) the ~~**reconciliation participant**~~ **trader** arranges for the **certification** of the **metering installation** to be completed within 5 **business days** of the **ICP** being **electrically connected**:

(b) may **electrically connect** an **ICP** if the **point of connection** is solely for **unmetered load**.

(3) A ~~**reconciliation participant**~~ **trader** must not electrically connect or authorise the **electrical connection** of a **point of connection** in any of the following circumstances —

(a) a **distributor** has **electrically disconnected** the **point of connection** for safety reasons, and has not subsequently approved the **electrical connection** of the **point of connection**:

(b) **electrically connecting** the **point of connection** would breach the Electricity (Safety) Regulations 2010:

(c) a switch under subclause (1)(a)(B)(i)(2) has been withdrawn or reversed.

(4) No **participant** may **electrically connect** a **point of connection**, or authorise the **electrical connection** of a **point of connection**, other than:

(a) a ~~**reconciliation participant**~~ **trader** as described in subclauses (1)~~, (2)~~ to (3):

(b) a **distributor** as described in clause 10.31B.

(5) Under subclause (1)(a)(i), if a **trader** or a person **authorised** by a **trader electrically connects** an **electrically disconnected**

	point of connection in error, or prior to the switch being withdrawn or reversed, the **trader** must— (a) **electrically disconnect** the **ICP** to using the same method of **electrical disconnection** as the losing **trader** used; and (b) reimburse the losing **trader** for any direct costs the losing **trader** incurred because of the **electrical connection** of the **point of connection**— (i) in error, or (ii) prior to the switch being withdrawn or reversed. *Disconnecting and electrically disconnecting points of connection* **10.33B Trader must not disconnect or electrically disconnect ICP for which it is not responsible** (1) Unless a **trader** is recorded in the **registry** as being responsible for the **ICP** or is meeting its obligation under clause 10.33A(5)(a) in respect of the **ICP**, the **trader** must not— (a) **electrically disconnect** an **ICP**; or (b) disconnect an **ICP**. (2) Unless the **trader** is recorded in the **registry** as being responsible for the **ICP** or is meeting its obligation under clause 10.33A(5)(a) in respect of the **ICP**, a **trader** must not authorise a **metering equipment provider**— (a) to **electrically disconnect** an **ICP**; or (b) to disconnect an **ICP**.
Assessment of proposed Code amendment against section 32(1) of the Act	The proposed Code amendment is consistent with the Authority's objective, and section 32(1)(c) of the Act, because it would contribute to the efficient operation of, and reliable supply by, the electricity industry. It may also have a positive effect on competition. The proposed amendment would improve the efficient operation of the electricity industry by: a) reducing transaction costs faced by retailers and consumers during the switching of electrically disconnected ICPs b) ensuring a trader or distributor that electrically disconnected a responsible trader's customer in error would be required under the Code to reconnect the customer. This would avoid the potential for unnecessary transaction costs on the responsible trader and its customer, if the party at fault would otherwise not reconnect the customer c) by clarifying the Code requirements relating to electrical connection and disconnection of points of connection and requiring metering to

	be operational before electrically connecting, thereby making the Code easier to understand and reducing participants', and the Authority's, compliance costs. The proposed Code amendment may promote competition, by reducing transaction costs faced by retailers and consumers during the switching of electrically disconnected ICPs. The proposed Code amendment would promote reliability of supply for consumers: a) by facilitating the timely electrical connection of consumers b) because it is expected to reduce the number of times traders electrically disconnect consumers that are not the traders' customers.
Assessment against Code amendment principles	The Authority is satisfied the proposed Code amendment is consistent with the Code amendment principles, to the extent they are relevant.
Principle 1: Lawfulness.	The proposed Code amendment is consistent with the Act, as discussed above in relation to the Authority's statutory objective and the requirements set out in section 32(1) of the Act.
Principle 2: Clearly Identified Efficiency Gain or Market or Regulatory Failure	The proposed Code amendment is consistent with principle 2 in that it addresses an identified efficiency gain, which requires a Code amendment to resolve.
Principle 3: Quantitative Assessment	Some of the costs and benefits of the proposed Code amendment can be quantified, but it has not been practicable to quantify others. Hence, a partial quantitative assessment of the proposed amendment's costs and benefits has been undertaken (see below). It has not been practicable to quantify the costs and benefits of the proposed Code amendment. Therefore, the regulatory statement below contains a qualitative assessment of the proposed amendment's costs and benefits. It has not been practicable to quantify the costs and benefits of the proposed Code amendment. Therefore, a qualitative assessment of the proposed amendment's costs and benefits has been undertaken (see below). A qualitative assessment of the proposed Code amendment's costs and benefits has been undertaken, because it has not been practicable to quantify the proposed amendment's costs and benefits (see below).
Regulatory statement	
Objectives of the proposed amendment	The objectives of the proposal are: a) to clarify the Code requirements relating to electrical connection and disconnection of points of connection b) regularise a current industry practice regarding reconnecting

	switching customers and offer protection for the losing trader c) to enable all appropriate persons to electrically connect a point of connection d) to prohibit all appropriate persons electrically disconnecting or physically disconnecting a point of connection.
Evaluation of the costs and benefits of the proposed amendment	The Authority considers the proposed Code amendment would have a positive net benefit, for the reasons set out below. *Costs* We expect there may be a minor cost associated with traders, distributors, MEPs, and possibly the grid owner, updating their procedures. *Benefits* The proposed amendment would improve the efficient operation of the electricity industry by: a) reducing transaction costs faced by retailers and consumers during the switching of electrically disconnected ICPs b) ensuring a trader or distributor that electrically disconnected a responsible trader's customer would be required under the Code to reconnect the customer. This would avoid the potential for unnecessary transaction costs on the responsible trader and its customer, if the party at fault did not reconnect the customer c) by clarifying the Code requirements relating to electrical connection and disconnection of points of connection, thereby making the Code easier to understand and reducing participants', and the Authority's, compliance costs. The proposed Code amendment may promote competition, by reducing transaction costs faced by retailers and consumers during the switching of electrically disconnected ICPs. The proposed Code amendment would promote reliability of supply for consumers: a) by facilitating the timely electrical connection of consumers b) if the proposed amendment were to reduce the number of times traders electrically disconnected consumers that are not the traders' customers. *Net benefit* Based on the above analysis, the Authority is satisfied the benefits of the proposed amendment outweigh the costs
Evaluation of alternative means of achieving the objectives of the proposed amendment	The Authority has not identified an alternative means of achieving the objectives of the proposed Code amendment.