

Non Half Hour Meter Read Frequency Guidelines

Introduction

1. The accurate settlement of electricity purchases from the Clearing Manager requires accurate and timely interrogation¹ of installation control points (ICPs)² that identifies the volumes of electricity sales by retailers. The greater the frequency of interrogation, the greater the accuracy of settlement becomes. Rules 5.1.3A and 5.1.3B of code of practice G1 of schedule G8 of the Electricity Governance Rules 2003 (Rules) require a minimum frequency of interrogation to ensure a minimum standard of accuracy in settlement.
2. As at 31 August 2006, there were 1.89 million active non-half hour (NHH) ICPs in New Zealand. For a number of reasons, electricity retailers can encounter difficulties when attempting to carry out interrogation of ICPs. Where these difficulties are outside the control of the retailer, and provided that “best endeavours” have been carried out by the retailer to interrogate the ICP, provision is made within the Rules for the retailer to claim “exceptional circumstances”.

Purpose

3. The purpose of these guidelines is to:
 - a. Provide an indication to retailers and data administrators of what the Commission is likely to accept as constituting “best endeavours” under rule 5.1.3A.1 so that retailers, the Market Administrator, and the Board may identify what situations are likely to qualify as “exceptional circumstances”; and
 - b. Promote a greater level of consistency of data submitted to the Market Administrator, by recommending that a standardised method of submitting data be followed; and
 - c. Allow the Market Administrator to identify more easily breaches of rules 5.1.3A.1 and 5.1.3B.1 so that it may notify the Board in accordance with regulation 62.
4. While Market Governance recommends that all retailers adopt the guidelines, it should be noted that they are only guidelines, not formal rules. However, although there is no mandatory requirement for retailers to comply with the standards set in these guidelines, if a retailer chooses not to follow the guidelines then the Commission may investigate to determine whether that retailer has complied with rules 5.1.3A.1 and 5.1.3B.1. Similarly, compliance

¹ “Interrogation” is defined under part A of the Rules as meaning “the extraction or manual reading of stored data from a metering installation”.

² “ICP” is defined under part A of the Rules as meaning “a point of connection on a local network or embedded network which the distributor nominates as the point at which a retailer will be deemed to supply electricity to a consumer...”.

with the guidelines will not necessarily guarantee compliance with the Rules in all situations.

5. These guidelines are to be read in conjunction with, and subject to, rules 5.1.3A and 5.1.3B of the Rules.

Analysis

6. The following section provides a description of why interrogation of ICPs is important:
 - a. If an ICP is not interrogated over a reconciliation period then a retailer must estimate consumption volumes for reconciliation. Although there are prescribed minimum standards of accuracy within the Rules, estimates become less reliable the longer ICPs are left without being interrogated. Estimates will also be less reliable where the retailer recently acquires a new customer and will not have any historical data on which to base its estimate.
 - b. Insufficient interrogation averages consumer consumption over the reconciliation period between interrogations. This averaging process may distort the reconciliation process causing a misallocation of energy between an independent retailer and an incumbent retailer.
 - c. Failure to interrogate ICPs on a regular basis may also cause retailers to estimate invoices. Customer invoices could be affected by inaccurate estimates of consumption that could cause the customer to be overcharged. Another possibility is that the customer is undercharged but is then faced with a substantial correction invoice to account for the historically undercharged volumes of consumption.

Exceptional circumstances – rule 5.1.3A

7. Rule 5.1.3A.1 requires meters at every NHH metered ICP to be interrogated once each 12 months. However, it also permits exceptions where “exceptional circumstances” exist. “Exceptional circumstances” is defined as meaning “circumstances where access is not achieved despite the best endeavours of the retailer”. The Commission understands that many failed attempts to interrogate ICPs occur because of difficulties gaining access to meters.
8. The following is a description of how the Commission considers that “best endeavours” could be demonstrated:
 - a. When the retailer acquired the customer, the retailer obtained at least two methods of communication with the customer; and
 - b. Where a retailer failed to interrogate an ICP as a result of access issues, the retailer had made a minimum of three attempts to contact the customer, by using at least two methods of communication;
9. When submitting data under each month to the Market Administrator, the retailer should:

- a. make available to the Market Administrator, when requested, records and documentation substantiating attempts to gain access to meters; and
- b. include reasons for failed attempts.

Submitting data to Market Administrator – rules 5.1.3A and 5.1.3B

10. Rule 5.1.3A.2 requires retailers to report monthly to the Market Administrator on non-incumbent ICPs only. However, to assist the Market Administrator in determining whether **all** ICPs have been annually interrogated as required under 5.1.3A.1, retailers should report on incumbent ICPs also. Similarly, retailers should report on all ICPs pursuant to rule 5.1.3B.1.
11. For each grid exit point (GXP) where a retailer purchases electricity, that retailer should provide, in the format set out in table 1, information on the number of NHH metered ICPs it supplies electricity to, and the number of NHH metered ICPs that have been interrogated in the previous four and 12 month periods. The retailer should also identify at which GXPs it is the incumbent retailer.
12. The retailer should also complete Table 2, to assist the Market Administrator in establishing the reasons why the retailer has not interrogated a NHH metered ICP to which it has supplied electricity.
13. Table 2 is an exemption report, which applies only to those NHH metered ICPs that the retailer has not interrogated in the previous 12 month period.
14. Table 2 requires information to be provided to the Market Administrator at ICP level. For each NHH metered ICP that the retailer has not interrogated, the retailer will provide the following information:
 - a. Installation number;
 - b. ICP reference id;
 - c. GXP to which the ICP is associated;
 - d. The date when the ICP was last interrogated successfully;
 - e. The date when the customer was acquired by the retailer;
 - f. The date when the retailer had last attempted to interrogate the ICP;
 - g. Identify from the list provided in Table 3, the reason why the retailer was unable to interrogate the ICP;
 - h. The date when the second-to-last attempt to interrogate the ICP was carried out;
 - i. Identify from the list provided in Table 3, the reason why the retailer was unable to interrogate the ICP; and
 - j. If the retailer chooses “Other” then the retailer will provide a brief explanation why it was unable to interrogate the ICP.
15. Table 3 sets out the various reasons to be provided in columns G and I of table 2, and is for cross-reference purposes only.

Table 1: ICP INTERROGATION REPORT

Company Name			4 Month				12 Month		
Distribution area	GXP name	Incumbency?	Number of ICPs	Number of ICPs not interrogated	Number of ICPs interrogated	Percentage interrogated	Number of ICPs not interrogated	Number of ICPs interrogated	Percentage interrogated
BIGC	COAL 0331	No	50	8	42	84%	4	46	92%

Table 3: Reasons for non-interrogation

SUGGESTED ICP INTERROGATION UNAVAILABILITY TYPE		
Number	Category	Reason
1	Customer	Animal problem
2	Customer	No access
		Refused
		Abusive
3	Property	Unsafe
		Electrically
		Physically
4	Property	No access - property
		Locked or
		Key/alarm or
		Blocked
5	Property	Vacant
6	Property	Remote
7	Property	Cannot locate
		Property or
		Meters
8	Meter	No access - meter
		Obscured or
		Key/alarm or
		Blocked
9	Meter	Meter or register issue
10	Meter	Location
		Moved
		Not found
11	Retailer	Alternate retailer
12	Retailer	Administration
		Wrong round
		Read arrangement
13	Other	Retailer to explain circumstances