

Commission Update – 18 September 2009

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Workshop on model approaches to distribution pricing

In June 2009, the Commission published a consultation paper proposing a model approach to electricity distribution pricing methodology, and subsequently held a workshop on 19 June 2009 (Te Papa workshop) to obtain industry feedback. The Commission has now completed an assessment of the submissions received and input obtained at the workshop. The assessment included a reconsideration of the degree of prescription contained in the approach.

The Commission has prepared:

- a summary of submissions; and
- a discussion document setting out draft pricing principles and methodological requirements.

The Commission anticipates publishing these documents for consultation in the last week of September 2009.

At the Te Papa workshop, a commitment was made to foster further dialogue between retailers and distributors, and to assist the Commission in forming a final view on a model approach to a distribution pricing methodology, a workshop for industry participants and other interested stakeholders is being held on **12 October 2009** in Wellington. Workshop objectives are to:

- (a) understand retailers' concerns as to the aspects of distribution pricing that can be a barrier to retail competition;
- (b) identify what aspects of distribution pricing may be relatively easily standardised, including confirming common terminology and definitions for distribution access and pricing, as well as the basis for a common tariff format across distributors (including standardisation of customer categories);
- (c) seek feedback from stakeholders on revised draft pricing principles; and
- (d) discuss the merits, or otherwise, of a more or less mandatory approach.

As part of the preparation and facilitation of the workshop, the Commission has approached a retailer (Mighty River Power - Nigel Williams - nigel.williams@mercury.co.nz) and a distributor (Orion - Rob Jamieson - rob.jamieson@oriongroup.co.nz) to consider what matters could be discussed and progressed under item (b) above. Interested parties are encouraged to contact them with suggestions as to what can be standardised by mutual agreement between retailers and distributors.

The Commission will factor in any appropriate material provided or discussed at the workshop into its final approach.

Parties wishing to attend the workshop should send names and contact details of attendees to info@electricitycommission.govt.nz with "Workshop on model approaches to distribution pricing methodology" in the subject line by **30 September 2009**. The Commission will accept registrations until the room capacity has been reached.

Details, including the workshop agenda, will be confirmed on 1 October 2009.

Information System Definition

The Information System Definition (ISD) document defines the various information systems required by the Electricity Governance Rules 2003 (Rules). The Commission is proposing a number of minor changes to the ISD document and is inviting submissions on the proposal.

The proposed changes are mainly for the purpose of clarification and are not intended to change existing information systems used for the conveyance of information under the Rules.

The proposed ISD document and information about making submission are available at:

- <http://www.electricitycommission.govt.nz/consultation/revision-ISD/view>
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Progress report on the GPS

The Commission has published a report on its achievements in relation to the Government Policy Statement on Electricity Governance to 30 June 2009.

The report is available at:

- <http://www.electricitycommission.govt.nz/publications/index.html#reports>
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Exemption 106 granted

The Commission has granted Exemption 106: New Zealand Aluminum Smelters Limited.

The Gazette notice for this exemption is available at:

- <http://www.electricitycommission.govt.nz/rulesandregs/exemptions>
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Submissions published

The Commission has published the submissions it received on the Property Rights for Load Management Discussion Paper.

The submissions are available at:

- <http://www.electricitycommission.govt.nz/submissions/retail/subs-property-rights-load-mgt>
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Market Administrator monthly compliance report

The Market Administrator monthly compliance report for August 2009 is available at:

- <http://www.electricitycommission.govt.nz/opdev/servprovinfo/ma-report/index.html>

Consultation documents

- [Interim pricing period - consultation paper](#)
Closes 5 October 2009
- [Wanganui - Stratford transmission investment proposal](#)
Closes 6 October 2009
- [Proposed amendments to parts E and J of the Rules \(and consequential amendments to parts A and H of the Rules\)](#)
Closes 16 October 2009
- [Revision of Information System Definition document](#)
Closes 16 October 2009

Contacts

Contact details for the Commission are at: <http://www.electricitycommission.govt.nz/contact>

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