

# Information Guide

## Use of Distributor Pricing Category Codes on the Registry

18 June 2008

The general approach set out in this information guide in no way reduces the requirement upon participants to know and comply with their obligations under the Electricity Governance Rules 2003 (Rules). Neither should it be interpreted as reflecting the Electricity Commission's view on the Rules.

## Version control

Version	Date amended	Comments
1.0	15 March 2008	Creation of information paper in draft format.

## Objective

1. This information paper has been prepared by the Electricity Commission (Commission) for the purpose of assisting **participants** and others in interpreting and determining how **participants** might comply with the **rules** regarding the provision and use of the various codes on the **registry** for the identification of **distributor** line charges associated with each **installation control point**. This information paper is not legally binding.
2. The general approach set out in this information paper in no way reduces the requirement upon **participants** to know and comply with their obligations under the **rules**. Neither should it be interpreted as reflecting the Commission's view on the **rules**.
3. Bolded words within the text of this information paper refer to definitions in part A of the **rules**.
4. The purpose of this information paper is to guide **participants** in the use of relevant **registry** codes and industry standard files to convey **distributor** pricing related information between **distributors** and **retailers**. This paper should be read in conjunction with the relevant **rules** including those found in schedule E1 of part E of the **rules**.



## Glossary of abbreviations and terms

**Board** Electricity Commission Board

**Commission** Electricity Commission

**POA** Price on application



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## Introduction

1. **Retailers** should determine **distributor** pricing for each **ICP**, and **distributors** are required under part E of the **rules** to provide a **distributor price category** code on the **registry** that is used to unambiguously define line charges for each **ICP**<sup>1</sup>.
2. **Distributors** have historically determined their pricing by load group which, by default, has in some cases become the **price category** as used on the **registry**. Typical **price categories** include:
  - (a) street lighting;
  - (b) **unmetered load**;
  - (c) domestic under 10kVA capacity;
  - (d) commercial; and
  - (e) capacity related tariffs.
3. Each **distributor** should determine their own **price categories** and the **price category** into which each **ICP** falls, and must publish the **price category** code for each **ICP** on the **registry**.
4. **Distributors** should also publish their **price category** codes within their pricing schedule or similar document made available to **retailers** for the purpose of identifying applicable **distributor** line charges.
5. Many **distributor** pricing schedules have optional tariff components that are based on the **metering** and load management devices that form the **metering installation**.
6. The **consumer** contracts load management rights to the **distributor** and **retailer** by accepting tariff options.

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<sup>1</sup> rule 2.8 of schedule E1 of part E of the **Rules**

7. The **retailer** should engage with the **consumer** to choose the best combination of **distributor** and **retailer** pricing options for the **consumer's** needs. Examples of typical tariff options that may be available within a **distributor price category** include:
  - (a) fixed charge;
  - (b) controlled load;
  - (c) night rate only; and
  - (d) day/night.

## The rules

8. There are a number of **distributor** related fields on the **registry** that relate to the application of tariff option for an **ICP**. **Retailers** rely on these fields being appropriately maintained in order to allocate tariffs to **meter** registers and **consumers** in their **electricity** sales process.
9. The rules concerning the publishing of **distributor** price related information on the **registry** are found in schedule E1 of part E of the **rules**. Each of these rules has a corresponding field on the **registry**:
  - (a) rule 2.4: **Installation type**;
  - (b) rule 2.8: **Distributor price category**;
  - (c) rule 2.9: **Chargeable capacity**; and
  - (d) rule 2.10: **Distributor installation details**.
10. Other rules within schedule E1 of part E of the **rules** require related information that have an impact on retailer pricing that the **distributor** should update on the **registry**:
  - (a) rule 2.7: Dedicated **NSP** status;
  - (b) rule 2.11: **Unmetered load** details;
  - (c) rule 2.12: Shared **unmetered load** details;
  - (d) rule 2.12: Shared **unmetered load ICP** list; and
  - (e) rule 2.5: **Distributor loss category** code.

11. These **registry** fields can only be altered by the **distributor**. Where a **retailer** determines an inaccuracy, the **retailer** should discuss the allocation of the **price category** code with the **distributor** directly.
12. Related guidelines published by the Commission are available on the Commission's website (<http://www.electricitycommission.govt.nz/infopapers/index.html#retail>):
  - (a) Maintenance of registry **unmetered load** fields are described in the **unmetered load** guideline; and
  - (b) requirements for creating and maintaining **distributor loss factors** are described in the distribution network losses guideline.

## Terminology

13. **Price category** is defined in part A of the **rules** as:

means the relevant code in the schedule **published** by any **distributor** that is used to unambiguously define the line charges at the relevant **ICP**
14. **Price category** codes are used in conjunction with the **distributors** published pricing schedule and knowledge of the **metering** and load management configuration that comprises the **metering installation** at each **ICP** and are required to unambiguously define the **distributor** charges at each **ICP**.
15. "Tariff option" means the price option within a **price category** where such a **price category** provides for **consumer** or **retailer** choice amongst two or more options, subject to a particular configuration of metering and load control equipment.

16. “Price schedule” means a schedule of prices for tariff options for each price category code. An example of a pricing schedule showing **price category**, **price category** code, and tariff options is shown below. The price schedule is published in the **distributors** pricing disclosure or equivalent document made available to all **retailers**.

Price category	Price category code	Tariff options	Tariff code
Domestic <10kVA standard	DOMS	Fixed charge	DOMS
		Anytime metered kWh	D1
		Controlled water heating	D2
		Controlled special	D3
		Night energy	D4
Domestic <10kVA low user	DOML	Fixed charge	DOML
		Anytime metered kWh	DL1
		Controlled water heating	DL2
		Controlled special	DL3
		Night energy	DL4
Standard unmetered	UNM	Fixed charge	UNM
Street light	STL	Fixed charge	STL
		Metered energy	S1
Business small	BUS	Fixed charge	BUS
		Anytime metered kWh	B1
		Controlled water heating	B2
Business large	BUL	Fixed charge	BUL
		Anytime metered kWh	B11
		Peak demand	B12
Major	MAJ	Fixed charge	MAJ
		Anytime metered kWh	M1
		Peak demand	M2
		Control period demand	M3

## Distributor obligations - distribution price categories

17. **Distributors** have obligations within the **rules**. Some of these obligations relate to the management of pricing related fields in the **registry**.
18. **Distributors**:
  - (a) create and maintain **ICPs** in the **registry**. The **distributor** manages issues relevant to the connection and also determines **distributor** pricing applicable for that **point of connection** (in this instance the **ICP**) to their **network**.
  - (b) may have specific requirements for **consumer** connections, such as load management and **metering**, that is either conveyed to the **consumer** at the time the connection is being approved, or by the **retailer** in offering price options. The **distributors** pre-requisite for a component within a tariff may be an appropriate **meter** register or load management device.
  - (c) should establish **price category** codes, and tariff option codes for all possible tariff options within their pricing plans. The **distributor** should publish **price category** and tariff option codes in its pricing disclosure or related document that is available to **retailers**. This information should be clearly stated as it will be used along with the **price category** code published on the **registry** to unambiguously define the line charges for each **ICP**.
19. The **distributor** should provide certain information on the **registry** prior to the **ICP** being moved to the “ready” state, this includes a **distributor price category** code. The **distributor** is expected to know which **price category** the connection falls into from their new connections process, although it is acknowledged that in some instances this information has to flow from the **retailer** to the **distributor** which can take some time.
  - (a) In this situation, the **distributor** may temporarily post the **price category** code price on application (POA) meaning the published **price category** code will be posted on the **registry** when made available to the **distributor**. The Commission considers this temporary code should remain posted for no more than two weeks after livening of an **ICP**

## Retailers' obligations - distribution price categories

20. **Retailers** have obligations within the **rules**. Some of these obligations relate to the management of information within the **registry**, but **retailers** may also use fields within the **registry** for purposes that are outside of the **rules**.
21. One of these purposes is the allocation of **distributor** pricing to **consumers** for electricity sales invoicing purposes. **Retailers** manages **electricity** sales and purchases with the **consumer**, and, to a large extent, the **metering** and load management configuration that comprises the **metering installation**.
  - (a) Where the consumer has an interposed agreement, the **retailer** will charge the **consumer** for distribution charges as well as **electricity** sales based on the **metering** and load management configuration.
  - (b) Where the **consumer** has a conveyance agreement, the **retailer** may charge the **consumer** for **electricity** sales only based on the **metering** and load management configuration. The **distributor** may charge the **consumer** for distribution charges only based on the **metering** and load management configuration.
22. **Meter installation** information is not detailed within the **registry**. This information is either noted within the **retailers'** records, or provided by the **metering equipment owner**, or in the case of an **ICP** switching, the TN file transferred between **retailers** at the time an **ICP** switches via the switching process<sup>2</sup>.
23. When an **ICP** is switched between **retailers**, the gaining **retailer**:
  - (a) may consider whether or not to offer the **consumer** a different tariff option that is a component of the **distributors** price schedule.
  - (b) will provide the **distributor** with the industry standard information exchange files stating the tariff option codes for the tariff options in use at the connection in accordance with the **distributors** pricing schedule and the Use of System Agreement.

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<sup>2</sup> Refer to the **registry** user manual or the registry functional specification for the details of how this information is transferred, and what the information comprises.

24. The **retailer** may offer other tariff options other than that offered by the **distributor** that are related to other load management or pricing initiatives. However **distributors** will expect that the tariff option applied by a **retailer** will recover the rates required by the **distributor price category** code.
25. At any time the **retailer** may negotiate retail price options with the **consumer** and may change the **metering** and load management devices that comprise the **metering installation**. The **retailer** will then advise the **distributor** by way of industry standard information exchange files which **distributor** tariff codes are applicable at that **ICP** in accordance with the Use of System Agreement.

## Example

26. An example of the ICP management lifecycle process using the possible codes from the table in paragraph 16.
27. An **ICP** switches from retailer A (losing retailer) to retailer B (gaining retailer) in accordance with the **rules**<sup>3</sup>. This **ICP** was determined by the **distributor** to be eligible for the **distributors** domestic low fixed charge pricing option. Consequently the connection is given a **price category** code of DOML in the **registry** by the distributor. This code tells **retailers** that the connection is eligible for **distributor** pricing according to the **distributors** published code DOML which has a number of tariff options available depending on the **metering installation**, which comprises **metering** and load management devices. The **distributors** disclosed pricing schedule is as below.

Price category	Code	Relevant tariff options	Code
Domestic <10kVA low user	DOML	Fixed charge	DOML
		Anytime metered kWh	DL1
		Controlled water heating kWh	DL2
		Controlled special kWh	DL3
		Night energy kWh	DL4

28. The **retailer** determines the **metering** and load management configuration to comprise an anytime **meter** and separately **metered** controlled water heating from the information in the losing **retailer's** TN file. The **retailer** updates their

<sup>3</sup> Refer to schedule E2 of part E

own records to record the **meters** with and without control devices, serial numbers, etc, and determines from the **distributors price category** code in the **registry** and the **distributor pricing schedule** the tariff code that applies to each **meter** register. Note that these tariff codes are not transferred between **retailers** within the **registry** switching files.

29. The **retailer** sends the following records to the **distributor** in the EIEP1 consumption file:

DET	ICP	Start date	End date	Tariff option	Other records
DET,	0001234567XXabc,	17/06/2000,	15/07/2000,	DL1,	.....
DET,	0001234567XXabc,	17/06/2000,	15/07/2000,	DL2,	.....

30. The **distributor** notes from the EIEP1 file that this connection has tariff options DL1 and DL2, updates their own billing records accordingly and generates billing information to the **retailer** as appropriate.

31. **Distributors** may also choose to maintain their own record of tariff option at each connection independently of the **retailer**, and may use the information in the EIEP1 file to verify the **retailer** record against their own records.

## Registry fields

### Distributor price category code field

32. **Distributors** are required under part E of the **rules** to maintain a **distributor price category** code on the **registry** that is used to unambiguously define **distributor** charges for each **ICP**<sup>4</sup>. Note that this is a single code as defined in part A of the **rules**.

33. The **price category** code must indicate to the **retailer** the category (load group) of **distributor** pricing applicable for an **ICP** and relate to information provided in the **distributors** pricing disclosure in order to unambiguously define all the **distributor** charges for the connection. The tariff option codes applicable at

<sup>4</sup> Part A definition and rule 2.8 of schedule E1 of part E of the **rules**.

each **ICP** are not posted on the **registry**, but are contained in the **distributor** pricing disclosure.

34. Examples of **price category** codes:

- (a) In the simplest case, a **price category** code may define the category of standard **unmetered load** where only a daily fixed charge is applicable. In this instance, the **price category** code, along with the **distributors** pricing disclosure, is all that is required to unambiguously define **distributor** charges for the connection.
- (b) A more complex example of **price category** code may be one that defines a connection where a fixed daily charge and standard anytime or day only metered charge are always applicable with various options such as controlled and night rate.

### Chargeable capacity field

- 35. The **distributor chargeable capacity** field is a numeric field with two decimal places intended to convey the value (if applicable) of a single **chargeable capacity** for an **ICP** from the **distributor** to the **retailer**.
- 36. Where a single **chargeable capacity** is applicable to an **ICP**, the **distributor** is expected to place the value in the **registry chargeable capacity** field; otherwise the field is to be left blank.
- 37. Where more than one **chargeable capacity** is applicable at an **ICP**, the **distributor** installation details field may be used (as below).

### Distributor installation details field

- 38. The **distributor installation details** field is a 30 alpha numeric character general purpose field for conveying installation details relevant to **distributor** charging from the **distributor** to the **retailer**. This field should only contain information that is directly relevant to and necessary for determining **distributor** charges at the connection.
- 39. Where **distributors** intend to place additional tariffing information within this field (such as the **chargeable capacity** mentioned above), the **distributor** should inform the **retailer** that there may be additional tariffing information that may at times form part of the content of this field.

40. **Retailers** should be aware to review this field for additional tariffing information<sup>5</sup>.

## Installation type field

41. **Distributors** are required to maintain an **installation type** code on the **registry**<sup>6</sup> that is used to define if the site generates only (G), consumers only (L), or both generates and consumes (B).
42. Similar coding is used within the TN switch file<sup>7</sup> for transferring **metering installation** configuration between **retailers**, where the presence of
- (a) “L” against a **meter** register indicates that the register records consumption values; and
  - (b) “G” indicates that the register records generation values.
43. When assigning tariffs, **retailers** need to be aware of the flow direction and select the appropriate tariff from the **distributors** pricing schedule.

## Industry standard files

44. Industry standard files exist for exchanging tariff option code information between **retailers** and **distributors**.
45. EIEP1 is the standard file for transferring detail consumption information by **ICP-tariff**. This file may be initiated by **retailers** or **distributors**, but is most commonly used by **retailers** to advise **distributors** of **ICP** consumption by **distributor** tariff option code. The EIEP1 file has a field for the **distributor** supplied **tariff option** code to be provided against consumption for each **meter** register.
46. EIEP8 is the standard file for advising tariff option changes for an **ICP**, this file may be initiated by **retailers** or **distributors**. When the file type “R” (register detail) is used, the file format contains a field for the **distributor** tariff option code.

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<sup>5</sup> Refer to definition of **distributor installation details** in part A

<sup>6</sup> Rule 2.4 of schedule E1 of part E

<sup>7</sup> Rule 5.1 of schedule E2 of part E

47. Detailed protocol and guideline documents for these and other industry standard file types may be found on the Commission's website.

## Summary of distributor responsibilities

48. Distributor's responsibilities include:
- (a) Determine and publish price schedule that relates the **price category** code to tariff options.
  - (b) Maintain the **registry** with the appropriate **price category** code, **connection type, chargeable capacity, and distributor installation details** for each **ICP**.
  - (c) Receive tariff option information from **retailers** in industry standard files.

## Summary of retailer responsibilities

49. **Retailers** responsibilities include:
- (a) Identify for the **consumer** the applicable **distributor** tariff options within the **price category** code on the registry for that **ICP**.
  - (b) Apply line charges to each **ICP** as determined by the applicable **distributor price category, metering** and load management configuration, tariff options, and the **distributors** pricing schedule.
  - (c) Advise the **distributor** of the tariff option codes applicable at each **ICP** using industry standard files.

## Additional information

50. If you require further information or further assistance, please contact the market administrator:

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