

Use of Distributor Pricing Category Codes in the Registry

Consultation Paper

23 June 2008

Glossary of abbreviations and terms

Board	Electricity Commission Board
Commission	Electricity Commission
Guidelines	Reconciliation Participant and Distributor Audit Guidelines
ICP	Installation control point
Regulations	Electricity Governance Regulations
Rules	Electricity Governance Rules 2003

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1. Introduction and purpose of this report

1.1 Introduction

- 1.1.1 The purpose of this paper is to obtain feedback from interested parties within the electricity industry on the use of distribution pricing category codes on the registry (Information Guide) The objective of the Information Guide is to set out the provision and use of the various codes on the registry for the identification of distributor line charges associated with each installation control point.
- 1.1.2 This paper does not constitute the formal consultation and submission process required by section 172E(2) of the Electricity Act and is not a formal statement of proposal under section 172F(2) of the Electricity Act. If, after receiving submissions on this discussion paper the Commission considers that it will progress proposed amendments to the Electricity Governance Regulations 2003 (Regulations) or Rules (Rules), the required consultation and other processes will be carried out in accordance with the Electricity Act.
- 1.1.3 This Information Guide will not be legally binding; rather it is intended to be advisory. In line with its objective to persuade and promote rather than regulate, the Electricity Commission (Commission) will recommend that the Information Guide be followed.
- 1.1.4 This document needs to be read in conjunction with the Rules and Regulations, which are binding on all electricity participants including retailers, distributors, embedded network owners, metering equipment owners, and test houses.

2. Background

2.1 Summary of the proposal

2.1.1 Distributors set price schedules for consumers, and publish these. These are schedules of fixed and variable charges that retailers need to charge consumers for, to recover charges for use of the distributor's network. Retailers allocate tariffs to meter registers in their consumer switch in process.

2.1.2 Part E of the Rules sets the requirements for retailers and distributors for fields on the registry that are used to define the distribution charges for an installation control point (ICP). There are a number of distributor related fields on the registry that distributors should populate to provide sufficient information to retailers to allocate the appropriate charges to meter registers. These are:

- (a) Distributor price category code field;
- (b) Chargeable capacity field;
- (c) Distributor installation details field; and
- (d) Installation type field.

2.1.3 The requirements for the distributor "price category" code is defined within the rules and means ".....the relevant code in the schedule published by any distributor that is used to unambiguously define the line charges for an ICP".

2.1.4 This definition has been interpreted in a number of different ways by distributors and retailers, leading to difficulties in allocating of line charges through automatic processes, and possibility of inconsistencies or errors in manual processes.

2.1.5 Some of the interpretations are as follows:

- (a) The price category code represents all of the tariff options that are available for a consumer within the applicable load group.
- (b) The price category code represents each individual tariff option.

2.1.6 The applicability of a tariff option is dependent on the appropriate metering and load management devices. As the registry does not contain metering information to the meter register level, the retailer allocates the tariff option dependent on the information received from the losing retailer within the switching files or from the meter records supplied by the metering equipment owner.

2.1.7 The Commission's view expressed in the Information Guide is that the methodology expressed in 2.1.5 (a) above is preferable.

2.1.8 The Information Guide describes a process to standardise the application of the code, so that application for each distributor's code becomes consistent within the industry.

2.1.9 There are other rules within schedule E1 of part E of the Rules that require related information to be populated into the registry by the distributor that have an impact on retailer pricing that the distributor should update on the registry, and these are not part of this guideline:

- 2.7 Dedicated NSP status
- 2.11 Unmetered load details
- 2.12 Shared unmetered load details
- 2.12 Shared unmetered load ICP list
- 2.5 Distributor loss category code

3. Discussion

3.1.1 The Commission invites submitters to provide any feedback they may have on the Information Guide, but also has the following specific questions:

- (a) Do you agree with the concept that the distributor price category code is a single code that represents a group of tariffs applicable to an ICP?
- (b) Do you have another interpretation of the definition price category code that you would like to discuss? Please provide details of the option, benefits, etc.
- (c) Does the document provide sufficient detail to standardise the application of the distributor price category code. Please give reasons for your answer and suggestions for improvements.
- (d) Does the document cover all relevant details relating to the application of the distributor price category?
- (e) Is the information provided within the switching files of sufficient detail to allocate distributor tariffs to an ICP? Please give reasons for your answer and suggestions for improvements.
- (f) Should the guideline be extended to cover the other registry requirements that have an impact on the allocation of tariff options?

4. Submissions

- 4.1.1 The Commission invites submissions on this paper. Submissions must be received by **5pm on 1 August 2008**. Submissions received after this date may not be considered. The Commission requires one electronic copy (Microsoft Word) or one hard copy of each submission.
- 4.1.2 The electronic version should be emailed with "Distribution pricing category codes" in the subject line to submissions@electricitycommission.govt.nz. The hard copy should be posted to:
- Electricity Commission
Level 7, ASB Bank Tower
2 Hunter Street
PO Box 10041
WELLINGTON
Tel: (04) 460 8860
Fax: (04) 460 8879
- 4.1.3 The Commission will acknowledge receipt of all submissions electronically. Please contact the Commission if you do not receive electronic acknowledgement of your submission within two business days.
- 4.1.4 Your submission is likely to be made available to the general public on the Commission's website. Submitters should indicate any documents attached in support of the submission in a covering letter, and clearly indicate any information that is provided to the Commission on a confidential basis. However, all information provided to the Commission is subject to the Official Information Act 1982.
- 4.1.5 The Rules are available on the Commission's website at:
<http://www.electricitycommission.govt.nz/rulesandregs/rules>.

Appendices

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