

28 February 2005

Electricity Commission  
Level 7  
ASB Bank Tower  
2 Hunter Street  
PO Box 10041  
**WELLINGTON**

Dear Sir/Madam

**COMMENT ON THE REPORT OF THE PROFILE PROJECT TEAM**

Our main concern is the statement in the overview that the wider industry, including distributors, should participate in financing, developing and maintaining profiles for the benefit of end consumers.

The concern is that this financial participation will become mandatory and a levy and may not reflect the benefit of these profiles to the distributors.

Information from the competitive market profiles can be of use to distributors but the cost of developing and managing these profiles would be difficult to justify by distributors for the allocation of network costs.

Most distributors already use the profiles from grid supply point, zone substation and feeder metering. In addition, half hour metered profiles are available for all larger consumers. These profiles are used in determining the allocation of costs e.g. contribution of individual half hour metered customers to congestion period demands and local network capacity requirements.

For other line charges, most distributors base charges on time of use which reflects the residual profile or use of the network or segments of the network. Retailers then adapt these charges to the various consumer groups to obtain the maximum benefit.

I do however, support the proposed investigation into the study of profiling dynamic controlled load. This would assist distributors to apply costs to such loads at an ICP level.

In conclusion, I support the participation of distributors in determining profiles which are of mutual benefit to all parties but am concerned at any proposed mandatory financial contributions to the Electricity Commission with respect to the development and management of retail profiles per se.

Developments in metering will tend to reduce the requirement for profiling in the long term future and enable stronger price signals from both distributors and retailers to be affected.

Yours sincerely



**Martin Walton**  
**Chief Executive**