

Companion Guide for the Northpower Electricity Distribution Price Schedule

Issue 6 (1 April 2019)

This Companion Guide contains requirements and information relevant to the Distribution Price Schedule for the Northpower Electricity network.

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Structure of Distribution Pricing for the Northpower Electricity Network

Each connection to the Northpower electricity network is allocated to a price category in one of the main pricing groups as follows:

- **Residential connections** – All types of dwellings including houses, flats and apartments, but excluding hostels, motels and similar types of accommodation.
- **General connections** – Business premises, farms (excluding farmhouses), schools, community facilities and separately-metered supplies for pumps and sheds at residential premises.
- **Large Commercial & Industrial sites** – Supermarkets, large sawmills, large quarries, council pumping stations, large engineering workshops, large retail stores, some office blocks and other high-consumption sites.
- **Very Large Industrial sites** – Six sites that have individual pricing structures.

Pages 3 to 8 of this guide give more detail about each of these pricing groups.

Process for assigning and updating a Price Category for each Connection (ICP)

Northpower is responsible for assigning a network price category to each ICP supplied from the Northpower electricity network and for uploading the associated price category code to the national Registry so that all retailers can access this information when determining the retail prices for their customers. Northpower uses the information available at the time to determine the initial network price category for a new ICP and to make any subsequent changes (such as when a builder's temporary supply is replaced by a permanent connection to a dwelling).

When the utilisation of an ICP changes (for example, a house might be converted to a doctor's rooms or a community legal practice office), it may be necessary to change the network price category. Retailers must communicate such changes to Northpower as soon as they become aware of the change so, where appropriate, Northpower can update the network price category. Changes to network price category codes are generally applied from the date at which Northpower becomes aware of the new information and are not usually backdated.

Customers wanting a change in network price category or in a price component (for example, changing a night-rate supply to a controlled 18-hour supply) must request the change via their electricity retailer.

Residential Price Categories

Allocation criteria

DM1, DM3, DM4 and DM6: These price categories are applicable to connections (ICPs) which can be defined as “Domestic premises” in accordance with Section 5 of the Electricity Industry Act 2010. All other ICPs must use General price categories. The following extract from the Electricity Industry Act 2010 defines “Domestic premises”:

Extract from Section 5 of the Electricity Industry Act 2010 in relation to DM1, DM3, DM4 and DM6

Domestic premises means premises that are used or intended for occupation by a person principally as a place of residence; but does not include premises that constitute any part of premises described in section 5(c) to (k) of the Residential Tenancies Act 1986 (which refers to places such as jails, hospitals, hostels, hotels and other places providing temporary accommodation)

To meet the requirements on distributors in Clause 3 of the Electricity (Low Fixed Charge Tariff Option for Domestic Consumers) Regulations 2004, residential ICPs which are the principal place of residence for the consumer are assigned to the DM1 price category (or the new DM6 price category). From 1 April 2015, residential ICPs that are not the principal place of residence for the consumer have been assigned to the DM3 price category. For clarity, Clause 3 of the Electricity (Low Fixed Charge Tariff Option for Domestic Consumers) Regulations 2004 is included below, with underlining added for emphasis.

Extract from Clause 3 of the Electricity (Low Fixed Charge Tariff Option for Domestic Consumers) Regulations 2004 in relation to DM1, DM4 and DM6

The objective of these regulations is to:

- a. Ensure that electricity retailers offer a low fixed charge tariff option or options for delivered electricity to domestic consumers at their principal place of residence that will assist low use consumers and encourage energy conservation: and*
- b. Regulate electricity distributors so as to assist electricity retailer to deliver low fixed charge tariff options.*

Traders (or their data agents) are required to supply incremental normalised consumption data files in an EIEP1 format to Northpower for billing purposes. If a trader provides half-hour data in an EIEP3 format (instead of normalised consumption data) to Northpower for billing purposes for specific ICPs, Northpower will transfer those ICPs to the Half-Hour price category ND10.

Price Components of the DM1, DM3 and DM6 price categories

The DM1, DM3 and DM6 price categories are comprised of the following price components:

- A daily price:
- Volume-based (kWh) price components for uncontrolled load; and
- Optional volume-based (kWh) price components for separately-metered controlled load.

To comply with the Electricity (Low Fixed Charge Tariff Option for Domestic Consumers) Regulations 2004, the daily prices in the DM1 and DM6 price categories are set at 15 cents + GST.

Controlled load price component options for residential ICPs

Controlled load must be separately-metered and permanently wired (not plugged into a socket).

In return for the lower price for controlled load, Northpower is authorised to control the load to manage system peaks and in emergency conditions.

The options for separately-metered controlled load at residential ICPs are:

- Controlled 18-hour: Northpower determines the off-times for up to six hours per calendar day. If other parties determine the control times, the supply will revert to the applicable uncontrolled price.
- Night rate: Supply is available only from 2300 to 0700 (8 hours per day).
- Legacy “Night rate boosted” with hours 2300-0700 + 1200-1500 is now included in the Controlled 18-hour price component.
- Unmetered lighting: This is a legacy arrangement where some private unmetered lighting was included with metered residential ICPs. The “available hours” in SL9 reflect the minimum hours per day over a year but, in practice, the hours are from “dusk to dawn” which is up to 14 hours per day in winter and as low as 9 hours per day in summer.

Trial of DM6 price category

The DM6 Time of Use is a new optional price category for residential ICPs. DM6 has a daily price plus three different per-kWh prices based on the times of day when the electricity is consumed. To be eligible for the DM6 price category, ICPs must meet the requirements of the DM1 price category and have advanced meters with reliable communication.

Retail plans for consumers on DM6 need to be based around a Time of Use structure with at least four of Northpower’s five peak load hours charged to the consumer at a ‘peak’ or higher rate under the retail plan.

For billing purposes, retailers will need to supply data to Northpower in EIEP1 format, time-sliced according to the hours in the Northpower Pricing Schedule (which may vary from the Retailer’s pricing plan).

DM6 is being introduced to facilitate a trial of Time of Use pricing so, in the year commencing 1 April 2019, total ICPs are capped at 1,000 ICPs. Northpower has the discretion to raise or lower this cap and to limit the number of ICPs an individual retailer may have on DM6 to ensure all retailers have the opportunity to participate in the trial.

Obsolete DM4 price category

DM4 is an obsolete closed price category with inclusive (IN18) pricing. ICPs on DM4 must be converted to DM1 whenever meter changes are undertaken. DM4 will be disestablished by 31 March 2020 and any remaining ICPs will transfer to DM1 as UN24.

General Price Categories

Allocation criteria

General price categories are applicable to connections (ICPs) which do not meet the definition of “Domestic premises” in Section 5 of the Electricity Industry Act 2010 – refer to page 3 of this Companion Guide. This includes separately-metered supplies at residential premises for ancillary loads such as pumps and sheds.

ND1 and ND2

Price Components of the ND1 and ND2 price categories

The ND1 and ND2 price categories are comprised of the following components:

- A daily price:
- Volume based (kWh) price components for uncontrolled load [1]; and
- Optional volume based (kWh) price components for separately-metered controlled load.

Note 1: Some legacy arrangements exist at pumps where 100% of the load is controlled.

Ultimately these ICPs should transfer to ND5 price category covered further on in this section.

Connections with a supply capacity up to three-phase 100 amps (approximately 70kVA) are allocated to the ND1 price category.

Connections exceeding 70kVA (generally with CT metering) are allocated to the ND2 price category which has a higher daily price and a lower volume price. Downgrades from ND2 to ND1 are only permitted if the supply capacity is fused at 100 amps (or less) and the CT metering is replaced by whole-current metering.

Traders (or their data agents) are required to supply incremental normalised consumption data files in an EIEP1 format to Northpower for billing purposes. If a trader provides half-hour data in an EIEP3 format (instead of normalised consumption data) to Northpower for billing purposes for specific ICPs, Northpower will transfer those ICPs to the Half-Hour price category ND10.

Controlled load price component options for general price categories

Controlled load must be separately-metered and permanently wired (not plugged into a socket). In return for the lower price for controlled load, Northpower is authorised to control the load to manage system peaks and in emergency conditions.

The options for separately-metered controlled load at non-residential ICPs are:

- Controlled 22-hour: Northpower determines the off-times for up to two hours per calendar day. If other parties determine the control times, the supply will revert to the applicable uncontrolled price.
- Controlled 18-hour: Northpower determines the off-times for up to six hours per calendar day. If other parties determine the control times, the supply will revert to the applicable uncontrolled price.
- Night rate: Supply is available only from 2300 to 0700 (8 hours per day).
- Legacy “Night rate boosted” with hours 2300-0700 + 1200-1500 is now included in the Controlled 18-hour price component.

Specialist general price categories

Price categories ND1 and ND2 are not suitable for some types of load including irrigation, street lighting and temporary supplies. The following price categories are reserved for particular types of load.

ND5: This price category is intended for irrigation and water pumps primarily operating at night. The price for usage from 2300 to 0700 is significantly lower than during the day. ND5 price category differs from the normal “night rate” option in that ND5 allows pumps to be operated during the day for testing or in emergencies, but at a higher price from 0700 to 2300. Pumps on the ND5 price category must be wired for control by Northpower for up to two hours per day.

ND6: This is the price category for unmetered uncontrolled load, subject to the limitations in the Electricity Industry Participation Code, for roadside telecommunication cabinets and similar installations.

ND12: ICPs classified as Builders Temporary Supplies are allocated to the ND12 price category and cannot transfer to other price categories until the permanent supply has been inspected and signed off by Northpower. Builders Temporary Supplies are to be utilised solely during the construction phase of permanent structures and not for supplies to dwellings, sheds, caravans, pumps or electric fences. The maximum duration for a Builders Temporary Supply is 12 months.

ND13: ICPs will be transferred to the Long Term De-energised price category (ND13) when the meters have been removed and the service-line has been completely disconnected at the Network Connection Point but permission has not been obtained to permanently dismantle the supply in accordance with Subpart 3 of Part 4 of the Electricity Industry Act 2010. ICPs on the ND13 price category cannot transfer to other price categories until the service-line meets Northpower’s standard requirements and a Certificate of Compliance (CoC) for the installation has been sighted by Northpower.

NEWICP: This price category is a placeholder for newly created ICPs to allow uploading to the Registry ready for acceptance by a trader. This price category is only applicable to ICPs which have not yet been electrically connected (livened) to the Northpower electricity network.

ND7: This price category for distributed unmetered street-lighting is shown in a separate table after the table of prices for general ICPs. The “available hours” in SL9 reflect the minimum hours per day over a year but, in practice, the hours are from “dusk to dawn” which is up to 14 hours per day in winter and as low as 9 hours per day in summer. Lamp-owners must promptly communicate to Northpower the details of lamp/fixture changes and/or alterations to the number of fixtures because retrospective changes will not be made to prior billed distribution charges.

Large Commercial & Industrial Price Categories

Sites with half-hour metering (previously known as ToU metering) for which retailers submit EIEP3 data to Northpower, are assigned to either the ND9 or ND10 price categories. Typically, these sites are comprised of supermarkets, large sawmills, large quarries, council pumping stations, large engineering workshops, large retail stores, some office blocks and other high-consumption sites.

Switches to or from ND9 and ND10 must be made on the first day of a month.

ND9 has demand-based pricing and is the preferred price category for this group of consumers because it is more service-based, using peak demand as a proxy for capacity, rather than volume (consumption) based pricing.

ND10 is an alternative (volume-based) price category for half-hour metered ICPs with lower consumption. Typically, these sites are in national chains where a retailer has signed up the entire chain on a contract requiring half-hour metering at all sites, large and small.

Price Components of the ND9 price category

The ND9 price categories is comprised of the following components:

- A monthly price;
- An Anytime Maximum Demand price based on the highest half-hour demand at any time between 1 April and 31 March, with a minimum chargeable demand of 150kVA;
- A Network Peak Period Demand price based on the average of the six highest daily half-hour demands from 0700-1000 and 1700-2130 from 1 May to 30 September, with a minimum chargeable demand of 150kVA. “Network Peak Period Demand” was previously called “Shoulder Demand”; and
- An Excess Reactive Power charge which is currently assessed on the basis of a 0.95 lagging power factor coincident with the highest half-hour demand each month.

Both the Anytime Demand price and the Network Peak Period Demand price apply in every month of the year. Any increases in demand during the year are applied to the entire year.

Price Components of the ND10 price category

ND10 is an alternative price category for ICPs with half-hour metering where the ND9 price category is unsuitable due to their load profiles. ND10 is comprised of a daily price plus a volume (consumption) based price, similar to the ND2 price category.

Excess Reactive energy for ND10 is assessed over an entire month on the basis of any net excess reactive energy above the threshold of an average 0.95 power factor.

Very Large Industrial (IND) Price Category

The Very Large Industrial group is comprised of six specific sites supplied from the Northpower network. Five of the sites are supplied directly via dedicated 33kV feeders and one site has a dedicated 11kV feeder. Northpower invoices distribution and transmission charges directly to four of the sites and the remaining two sites are invoiced via the retailers.

Except where specifically agreed otherwise with the customer, the power factor requirement and the threshold for excess reactive power is 0.97.