Future Distribution Pricing Roadmap

Northpower Limited

Updated on 26 March 2019

Roadmap Stages	Activities	Proposed Timeline (in quarters of calendar years)																					
		2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2
1. Initiate pricing reform																							
Problem Identification & discovery	Justification and early modelling		→		√																		
Define overall objectives for reform	Set overall goals including target dates or date ranges				√																		
Develop strategy to deliver reform	Develop ideas on how to go ahead (including long list of future pricing options if available)	√																					
Communicate	Prepare and publish future pricing roadmap, include reasoning and and why it's important	√																					
Identify challenges	Resourcing implications, billing systems, EIEP1 file formats, AMI penetration and technology, accessing data					√																	
Consult retailers	Socialise ideas & plans with retailers					→		√															
Establish high level plan	Gain commitment to reform, agree plan, allocate resources					→		√															
Gather basic data for analytics	What do we need to know to progress reform?	→	→		X																		
Define pathway	Prepare final strategic pricing plan (including target dates)												X										
Alignment across EDBs	Compare plan with other EDB's, form coalitions			→		√	→	→	→	→	→	→	→	→	→	→	→	→					
2. Plan changes and roll out (All Residential ICPs)																							
Develop detailed plans, including:	Identify issues/prepare detailed pricing reform plans																						
- customer interactions	Establish research program and focus groups (retailer + end-user)									√	→	→	→	→	→	→	→	→	→	→	→		
- pricing trials to test ideas	Conduct in-market testing, examine impact on customer groups (Residential ToU trial from 1 April 2019)										→	→	→	X									
- data analysis to assess customer impacts	Narrow down preferred options and test market impacts										→	→	→	X									
- implementation and transition arrangements	Identify what will drive success											→	→	X									
- feedback loops and issues resolution	Develop processes to account for stakeholder views and review against target dates. Participate in ENA processes to provide stakeholders with single point of contact							→	→	→	→	→	X	→	→	→	→	→	→	→	→		
- communication	Educate customers and retailers about change										→	→	→	→	→	→	→	X					
- regulatory compliance	Check plan meets regulatory expectations to implementation date																	X					
Implement changes	Publish the new pricing options and the implementation plan																	X					
Adopt risk management approach	Identify and manage risks to markets, customers, EDBs							→	→	→	→	→	→	→	→	→	→	X					
New pricing takes effect																			X				
Review progress and make adjustments																			→	→	→	→	
3. Plan changes and roll out (General ICPs)																							
Develop detailed plans, including:	Identify issues/prepare detailed pricing reform plans																						
- customer interactions	Establish research program and focus groups (retailer + end-user)									√	→	→	→	→	→	→	→	→	→	→			
- pricing trials to test ideas	Conduct in-market testing, examine impact on customer groups										→	→	→	X									
- data analysis to assess customer impacts	Narrow down preferred options and test market impacts										→	→	→	→	→	X							
- implementation and transition arrangements	Identify what will drive success													→	→	X							
- feedback loops and issues resolution	Develop processes to account for stakeholder views and review against target dates. Participate in ENA processes to provide stakeholders with single point of contact							→	→	→	→	→	→	X	→	→	→						
- communication	Educate customers and retailers about change										→	→	→	→	→	→	→	X					
- regulatory compliance	Check plan meets regulatory expectations to implementation date																	X					
Implement changes	Publish the new pricing options and the implementation plan																	X					
Adopt risk management approach	Identify and manage risks to markets, customers, EDBs										→	→	→	→	→	→	→	X					
New pricing takes effect																						X	
Review progress and make adjustments																						→	→