

# **Guidelines on Electricity Supplied**

**Version 2.1**

## Version control

Version	Date amended	Comments
1.0	10 October 07	Creation of guidelines and Board approved.
2.0	11 November 08	Updated into the Commission's new format. Transitional history removed, no longer needed as at 1 May 2008.
2.1	1 November 10	Updated for transition to Electricity Authority.

## Objective

The Electricity Supplied Guidelines (Guidelines) have been prepared by Electricity Authority (Authority) for the purpose of assisting participants and others in interpreting and determining how participants might comply with Part 15 of the Electricity Industry Participation Code 2010 (Code). These Guidelines relate to the derivation of electricity supplied information to the **reconciliation manager** as required in Part 15 of the Code. These Guidelines are not legally binding.

The general approach set out in these guidelines in no way reduces the requirement upon participants to know and comply with their obligations under the Code. Neither should it be interpreted as reflecting the Authority's view on the Code.

Bolded words within the text of these Guidelines refer to definitions in Part 1 of the Code.



## **Glossary of abbreviations and terms**

<b>Authority</b>	Electricity Authority
<b>Code</b>	Electricity Industry Participation Code 2010
<b>Guidelines</b>	Electricity Supplied Guidelines



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## Introduction

1. The Code defines **electricity supplied** as:

**electricity supplied** means, for any particular period, the information relating to the quantities of **electricity** supplied by **retailers** across **points of connection to consumers**, sourced directly from the **retailer's** financial records, including quantities—

- (a) that are metered or unmetered; and
- (b) supplied through normal **customer** supply and billing arrangements; and
- (c) supplied under sponsorship arrangements; and
- (d) supplied under any other arrangement.

2. Clause 15.7 of the Code states that:

Each **retailer** must deliver to the **reconciliation manager** the **retailer's** total monthly quantity of **electricity supplied** for each **NSP**, aggregated by invoice month, for which the **retailer** has provided **submission information** to the **reconciliation manager**, including revised **submission information** for that period as non **loss** adjusted values in respect of—

- (a) submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period; and
- (b) revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period.

3. Clause 17(2) and (3) of Schedule 15.4 of the Code states that:

- (a) each **retailer** must provide to the **reconciliation manager**, in accordance with clause 15.7, the quantity of **electricity supplied**.
- (b) the **reconciliation manager** must allocate **electricity supplied** quantities, to **reconciliation periods** for reporting and calculation purposes and in the event of unusual circumstances that must have been approved beforehand in writing by the **Authority**, re-allocate quantities on a reasonable basis to reflect the month(s) of actual usage.

## Terms used in these Guidelines

4. For the purposes of these Guidelines the following terms apply.

### Scope of financial records

5. The term '*financial records*' means the records in the **retailer's** billing system used to invoice customers and, in addition, for sponsorships, promotions, and 'give-away' arrangements. Where **electricity** was supplied but not invoiced, the quantity should be extracted from those systems that are used to record the actual sale quantities.
6. The term '*quantity of electricity supplied*' means the actual quantity sold without any adjustments for losses or any accounting accruals.

### Invoice month/consumption period

7. The term '**consumption period**' is defined in clause 1.1 of Part 1 as follows:

**consumption period** means a calendar month during which **electricity** is supplied to **consumers** (and conversely produced by **generators**).

8. The term '*invoice month*' is the calendar month during which invoices have been issued to consumers.

### Clarification of issues

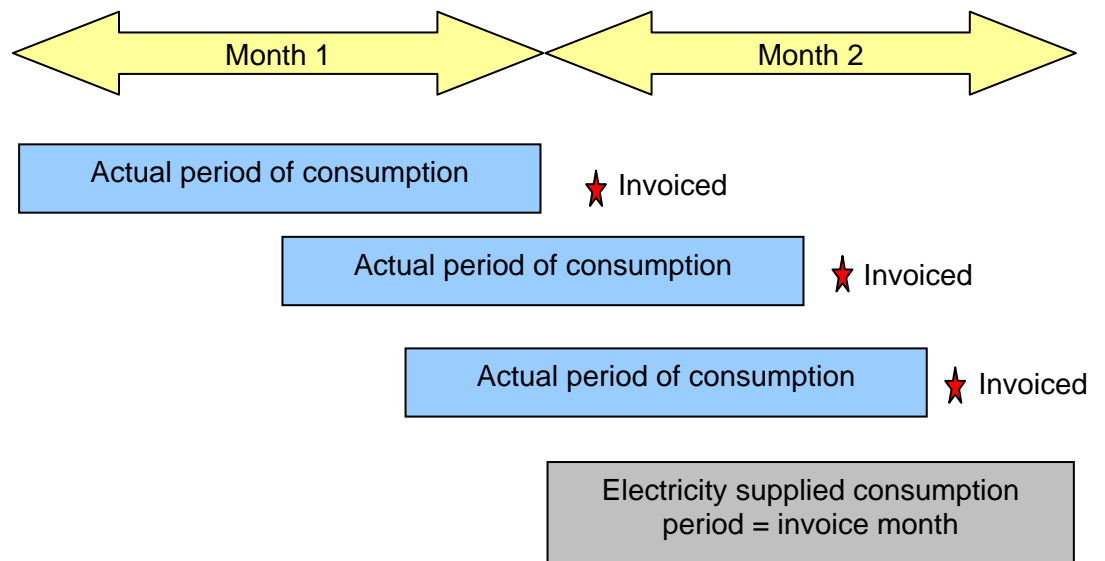
9. The definition of **electricity supplied** in Part 1 of the Code requires that submissions of **electricity supplied** information delivered to the **reconciliation manager** for any previous **consumption period** must include all consumption quantities invoiced during that calendar month. In effect, the **consumption period** for the provision of **electricity supplied** is the *invoice month*.
10. It is possible that the actual sales invoiced in a particular month may relate to sales made (consumed) during the previous month(s). The calculation of the **scorecard rating**<sup>1</sup> in the Code takes this mismatch into account by using a threshold before application of the **scorecard rating** and also introduces a one month offset to correct for the reporting month.
11. For further clarification, the Authority considers that:
- (a) **half hour** invoices should be reported for the month in which the invoices were issued. Example: **Half hour consumption information** collected for the period 01/05/2007 to 31/05/2007 will be invoiced in 06/2007 and therefore should be reported for the 06/2007 **consumption period**.

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<sup>1</sup> **Scorecard rating** is calculated in accordance with clause 18 of Schedule 15.4 of the Code.

- (b) non **half hour** invoices which are issued covering multiple **consumption periods** should be reported in the **electricity supplied** submission for the **consumption period** in which the invoice was issued. For example, if the end date for collecting **consumption information** in June 2007 is 12/06/2007 then an invoice quantity covering 13/05/2007 to 12/06/2007 would be included in the **electricity supplied** submission for the 06/2007 **consumption period**.

Figure 1: Electricity supplied consumption period



## Scorecard threshold/mismatch

12. The **scorecard rating** threshold will be notified by the Authority, and will initially be set at 2%. The purpose of this threshold is to compensate for the timing issues associated with invoices overlapping **consumption periods** as non **half hour** invoices are not representative of calendar months and include a proportion of sales made in one or more previous **consumption period**.

## Revisions

13. Standard billing procedures do not usually allow for the correction of invoices already sent out. Corrections are usually included in the next invoice run. However, the Code does allow for revisions of **electricity supplied** information, particularly when metering or invoiced volumes are found to be incorrect.

14. Where an invoice is subsequently revised and reissued, a revision file may be generated for the affected **consumption periods** and submitted to the **reconciliation manager** as follows:
  - (a) for **half hour** invoices, the **consumption information** should still be reported for the **consumption period** in which it was originally invoiced. For example, **half hour consumption information** collected for the period 01/05/2007 to 31/05/2007 was originally invoiced in 06/2007 and therefore any revisions should again be reported for the 06/2007 **consumption period**.
  - (b) for non **half hour** invoices, the end date for collecting **consumption information** still applies. For example, if the end date for collecting **consumption information** in June 2007 is 12/06/2007 then a revised invoice quantity covering 13/05/2007 to 12/06/2007 would be reported in the **electricity supplied** submission for the same original 06/2007 **consumption period**.
15. Revised **electricity supplied** volumes may be submitted to the **reconciliation manager** as **submission information** revisions for any **reconciliation period** that is to be run.

## Reconciliation participant adjustment

16. Even though the financial effect of any prior billing errors may be included in the next invoice run, it is expected that the adjusted volume is allocated to the affected invoice periods in relation to **electricity supplied** information. Any spike as a result of lumping revision volume into one month may result in a distortion to the **scorecard rating** for 12 months until the spike drops out. This may or may not cause the application of scorecard ratings within the reconciliation process.
17. Where the financial records have a single invoice or adjustment record that spans more than one **consumption period**, and the **reconciliation participant** considers that the volume extracted will distort the calculation of the **scorecard rating**, the **reconciliation participant** may allocate the financial records subject to the following:
  - (a) the process of allocation is included in the **reconciliation participant's certification** and **audit** process; and
  - (b) the total volume is not changed or double counted in the allocation process.

## Reconciliation manager adjustment

18. Clause 17(3) of Schedule 15.4 of the Code allows the **reconciliation manager** to perform a re-allocation to the **electricity supplied** volumes (and not an increase or decrease in total volume) in the event that an unusual submission occurs. The **reconciliation manager** will only make such a re-allocation if approved by the Authority, and if:
  - (a) the **reconciliation manager** cannot reasonably contact the **participant** concerned to provide revised **submission information**; and either
  - (b) it is necessary for the operation of the reconciliation system; or
  - (c) there is a consequential distortion to reconciliation accuracy.
19. The Authority's expectation is that there will not be many revisions to **electricity supplied** information.

## Sources of information

20. The Code can be found on the Authority's website at:  
<http://www.ea.govt.nz/act-code-regs/code-regs/the-code>
21. If you require further assistance, please contact the Retail Operations Team:  
  
Electricity Authority  
PO Box 10041  
Wellington  
Attention: Retail Operations Team  
  
Telephone: 04 460 8860  
Fax: 04 460 8879  
Email: [retailoperations@ea.govt.nz](mailto:retailoperations@ea.govt.nz)