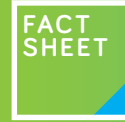


# General Consumer Pricing

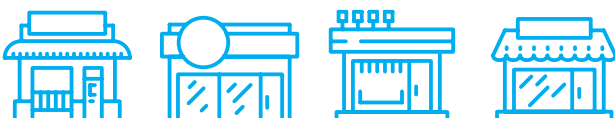


This is one of series of fact sheets to inform pricing practitioners within the electricity industry. It should be read alongside the ENA's pricing guideline for electricity distributors.

## General Consumer group identifies consumers that are not residential or large commercial. The term avoids labels such as “small commercial” or “small business”.

The General Consumer group can be applied in two ways:

- where there is no differentiation between residential and non-residential consumers, the term includes all connections up to the specified Large Commercial group, or
- to describe consumers with an unspecified connection type, i.e., not identified as Residential or as a specialty group (e.g., Irrigation, Unmetered, or Temporary Supplies) up to the specified threshold for the Large Commercial group.



## Capacity thresholds should be specified

An upper limit of installed capacity (typically based on fusing) should be defined for the General Consumer group. Distributors can also specify a lower capacity threshold between the General and Large Commercial groups and include it in their network connection standards and pricing documentation.

## General versus specific consumer types

Retailers will likely submit non-half-hour data for consumers in the General Consumer pricing group. It is common for retailers to provide consumption data to distributors (where applicable) in a monthly format (EIEP1 files) regardless of whether advanced (i.e., HHR) or legacy metering (i.e., NHH) is installed. Therefore, the price components used for consumers in the General group will typically be the simple two-part pricing structure, with fixed \$/day and volume \$/kWh pricing components.

## Distributors may also want to apply other charges to their General Consumer groups.

- Capacity charges could be specified as \$/kVA of installed capacity based on the fuse size provided for the connection or the transformer size where a dedicated transformer is installed
- Profiled demand charges to general consumers.

## General versus specific consumer types

A distributor need not have specific groups for connection types, including Unmetered, Temporary supply, or Irrigation connections. These connections might be included in a General group if not otherwise specified. Below are examples of connection types that can be specified within the General Consumer pricing group; or be unspecified and be rolled into the General Consumer group.

Specific Consumer Types	Discussion
Unmetered Load	<p>Normally load is required to be metered. Metering ensures that all load is accurately reconciled for the wholesale market and charged to those who used it. However, there is a limited range of circumstances where the load is not required to be metered.</p> <p>The Electricity Authority has issued guidelines on managing unmetered load –</p> <p><i>There are three types of unmetered load: standard unmetered load, and two special types (shared unmetered load and distributed unmetered load), each having specific management requirements.</i></p> <p>A combination of fixed and variable charges would reflect the cost characteristics of providing these services.</p>
Temporary Supply	<p>Sometimes referred to as a “builders’ temporary supply,” these connections are commonly used for sites under construction, builders’ temporary connections, concerts, and other entertainment facilities.</p> <p>The distributor may charge temporary connections additional connection charges and/or disconnection fees.</p>
Irrigation	<p>The Irrigation Connection Category is for connections using energy for irrigation of agricultural land with a combined pump nameplate capacity (or equivalent measure) greater than a specified demand, e.g., 20kW.</p> <p>Multiple pricing components can be applied to irrigation connections, including fixed charges, capacity charges (controlled and uncontrolled), power factor correction rebates, harmonic charges, and volume charges.</p>
Power Factor	<p>Power factor is a way of measuring how efficiently electrical current is converted into usable power. Low power factors can lead to lower than ‘normal’ voltages and consequently cause performance issues for network users, lower the delivery capacity of assets, and negatively impact network equipment.</p> <p>A kVAr (Kilovolt Ampere reactive) charge is a common power factor charge. kVAr charges are used to recover the costs (or potential costs) of power factor deterioration caused by consumer behaviour at a connection.</p>

## Prices should strive to be cost-reflective

Irrelevant to the distributor’s pricing approach, prices should strive to be cost reflective and adhere to the Electricity Authority’s Pricing Principles and Distribution Pricing: Practice Note. A copy of the Practice Note can be found on the Authority’s website at [www.ea.govt.nz/operations/distribution/pricing/](http://www.ea.govt.nz/operations/distribution/pricing/)

