



TERMS OF REFERENCE FOR THE DISTRIBUTION PRICING ADMINISTRATIVE ISSUES WORKING GROUP (DPAIWG)

November 2009

1. Background

The Electricity Commission (Commission) has established a working group (Distribution Pricing Administrative Issues Working Group (DPAIWG)) to advise and assist the Commission with its Distribution Pricing project (Project). An overview of the project is available at:

<http://www.electricitycommission.govt.nz/opdev/transmis/distrib-pricing/index.html>

2. The role of the Distribution Pricing Administrative Issues Working Group (DPAIWG)

The role of the DPAIWG is to provide specialist advice on specific administrative issues affecting the relationship between retailers and distributors with respect to distribution pricing. The rationale for the establishment of the DPAIWG is that stakeholders may be able to agree on issues affecting the relationship without intervention from the Commission. The Commission is keen to facilitate any agreements that are in the long term interests of end-use consumers. .

The DPAIWG will, amongst other things, provide:

- advice on common terminology (e.g. definition of a domestic customer);
- advice for alignments of wash-ups;
- suggestions for reducing unnecessary complexity; and
- advice on dealing with the risks associated with unaccounted for electricity.

The Commission expects the DPAIWG to provide a report to the Commission on its conclusions by the end of November 2009.

3. Objectives and Principles

The DPAIWG will provide advice which meets, or is consistent with, the following:

- the Commission's principal objectives and specific outcomes as stated in the Electricity Act (1992);
- the Government Policy Statement (2009); and

- the specific objectives of the Project.

4. Membership

The DPAIWG will consist of a chair (the senior adviser transmission), and nine members appointed by the Commission. In addition, the assistant adviser transmission will attend the group meetings.

The members should include representatives from the following stakeholders:

- end-use consumers;
- retailers, including new entrant retailers; and
- distributors.

5. Interaction

Day-to-day interaction between the DPAIWG and the Commission will be via the senior advisor transmission and the assistant adviser transmission.

6. Resourcing and support

The chair and assistant adviser transmission will be responsible for:

- resourcing and support of the DPAIWG;
- conveying relevant Commission policies to the DPAIWG; and
- providing guidance to the DPAIWG to ensure the outputs are appropriate.

7. Responsibility of Members

Members of the DPAIWG have been selected for their particular expertise and accordingly:

- members are to act in the interests of all affected parties;
- members have a duty to prepare fully for meetings;
- members do not represent their own organisation's commercial interests; and
- any views expressed by members are not to be taken as being those of their employer or nominating organisation.

8. Administration

The activities of the DPAIWG are to be as transparent as practicable and, unless specifically agreed otherwise, the assistant adviser transmission will be responsible for the following administrative tasks:

- circulating papers in advance of meetings;
- publishing papers on the Commission's website as soon as possible after each meeting; and
- keeping minutes of each meeting and publishing these once confirmed at the subsequent meeting.

While consensus will be the goal, at times it may be necessary to accept multiple views. All views will be conveyed to the Commission as input into its consideration of the relevant issue.

9. Meeting dates

Meeting dates have been agreed by e-mail in advance of the first meeting. Meetings will take place at the Commission's premises (ASB Tower, Level 7, 2 Hunter St, Wellington). The agreed meeting dates are as follows:

- 9 November 2009; and
- 20 November 2009.

If a meeting is re-scheduled, reasonable notice will be given to the members. Notice may be given by electronic or other means.

10. Methods of holding meetings

The following will apply to the DPAIWG meetings:

- meetings must be held in person;
- a quorum for meetings will be five members (excluding the chair and assistant adviser transmission); and
- no business may be transacted at a meeting while a quorum is not present.

11. Attendance of members

Members of the DPAIWG are not entitled to send an alternate in their place if they cannot attend a meeting.