

Electricity retail price indexes compiled by Statistics NZ

Retail data project forum – March 2014

Introduction

- ① Consumers price index (CPI) – measuring change in electricity retail prices
- ① Producers price index (PPI) – measuring change in electricity retail prices

Consumers price index

- ① The CPI measures price change faced by households
- ① Electricity had a weight of 3.91 percent (at the June 2011 quarter)
- ① Price change from the June 2006 quarter to December 2013 quarter:
 - CPI overall, up 18.8 percent
 - electricity prices, up 40.7 percent.

Electricity component of the CPI – collection

- ① Postal survey of electricity retailers in the 15 CPI regional pricing centres
- ① We collect:
 - tariff schedules (quarterly)
 - retail customer numbers (quarterly)
 - tariff plans – customer proportions (annually).

Electricity component of the CPI – estimation

- ① Three levels of use (low, medium, high) for each region
- ① We calculate
 - monthly costs (incl prompt/online payment discounts) for three levels of use
 - average monthly costs for each retailer in each region
 - average monthly cost for each region
 - average quarterly cost for each region
 - quarterly national electricity price index.
- ① We show
 - change in fixed and variable tariff rates (including summer/winter rates)
 - change in retailer customer numbers within each region.

Producers price index

- ① The PPI measures change in prices both paid (for inputs) and received (for outputs) by producers of goods and services
- ① There are input and output indexes for the 'electricity and gas supply' *industry*
- ① In addition, there is an electricity *commodity* price index for commercial customers.

Producers price index (continued)

- ① The electricity and gas supply output index includes generation, transmission, distribution, and retail prices
- ① The ‘electricity: commercial customers’ index covers all electricity sold to business customers
- ① For the ‘electricity: commercial customers’ index, we collect from retailers the average quarterly price per kilowatt hour, excluding GST.

Potential benefits for official statistics

- ① Better information on usage patterns?
- ① Reduction in Statistics NZ collection activity
- ① Improved coverage of locked-in prices
- ① Better use of changing usage throughout the year?
- ① Improved official measures of price change for households (CPI) and businesses (PPI).