Future Pricing Workplan

General Overview

Westpower's approach to future pricing reflects an acceptance that existing pricing structures should be reviewed to ensure that, to the extent possible in the West Coast environment, the prices paid by consumers fairly reflect the cost of investment in the network, and appropriately cater for the impact that new technologies will have on the network.

Westpower Ltd

This workplan reflects that there will be a period of analysis and investigation of opportunities before commencing any tariff design and consultation process. Consultation is seen as a key issue in determining the

Note that this timeline is subject to change based on the process of tariff development and consultation



shape of any new tariff.																					
oadmap Stages	Activities																				Resource
		Apr-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20 S	iep-20 D	ec-20 M	ar-21 Jui	1-21 Sep-2	1 Dec-21	
Commence review of sector response to Pricing Reforms																					
·	Review through attendance at industry pricing group meetings, discussion with peers																				In house
will adopt and move to cost reflective pricing, it makes sense for a company of																					III IIOuse
Westpower's size to keep a watching brief on the progress in the sector,	and stakeholders.																				
including the response of consumers and retailers, which will provide																					
guidance that will be essential for ensuring transition to an industry accepted																					
standard of tariff.																					
Review the current pricing structure in terms of its cost reflectivity on the	Internal review process.																				In house
basis of a network that has historically low exposure to rapid solar uptake, is																					
not in growth mode, and has significant sunk cost and generally sufficient																					
capacity for the planning period.																					
Initiate pricing reform																					
Engage with West Coast Electric Power Trust	Inform Trustees of the potential for a change in the tariff, and consult on potential						→														
	outcomes.						х														
Engage with Retailers	Discuss specific retailer issues including their ability to Implement new pricing options						—→ x														In house
Issue RFP with defined scope for delivery of analysis of appropriate pricing	Develop an RFP that will ensure independent view of the options that will suit the																				In house
options	Westpower environment, including allocating costs to consumer groups (some in																				III IIOU3C
options -	house work), ranking different baskets of options, modelling the impacts of those									→											
	options on those consumers, recommending a preferred option with reasons.									х											
	Transition issues to be considered on a broad basis.																				
Analyse the RFP responses and select a service provider	Determine selection approach by reference to price and non price attributes																				In house
Allalyse the KFP responses and select a service provider	betermine selection approach by reference to price and non-price attributes							^													III ilouse
Appoint service provider	Commence work on review						1		→ x												External
Report received from service provider	Report complete with recommended option and discussion of transition issues.																				
Report received from service provider	report complete with recommended option and discussion of transition issues.								x												External
Initiate and complete detailed consultation with customers																					
Engage with identified medium sized consumer representatives (e.g.	Discuss principles of uncoming changes with larger group consumer rope on the																				
Federated Farmers)	Discuss principles of upcoming changes with larger group consumer reps on the principles associated with cost reflective pricing and explain the type of approach we																				
rederated railliers)	will be taking to determining new pricing. Use this as a means of eliciting some early						х														
	points of interest for specific groups.																				
Run Pricing Trials	Develop pricing database to enable modelling of prices. Understand the impacts of												x								In house/Externa
	proposed price changes across consumer groups. Run alternative options to compare																				
	to status quo and recommended option																				
Develop consultation process	Develop consultation process including who to consult with and providing outline of										→ x										In house
	proposed pricing philosophy, options available to consumers, impacts of pricing																				
	decisions/options, transitional provisions																				
Customer Interactions	Commence consultation with selected consumer groups											→ x									In house
Feedback Analysis	Review feedback against proposed options											_			→ x						In house
Communicate Final Distribution Pricing Decisions	Publicly Notify final decisions/ Directly Notify Retailers															→ x					In house
Manage vall out of new prising entions																					
Manage roll out of new pricing options	Fatabilish and also as to make a fata and a safety and																				to become
Engage with Software house and regulator for introduction of new charges	Establish new charges in pricing/charging software																x				In house
Engage with Retailers for introduction of new charges	Roll out charges to retailers for implementation at start of new FY																—→ y				In house
nigage with netaliers for illitroduction of flew charges	non out charges to retailers for implementation at start or new FY																^				III IIOuse