



# DISCOUNT ALLOCATION METHODOLOGY

Electricity Distribution Information Disclosure Determination 2012, clauses 2.4.23 and 2.4.24

**For the Period: 1 April 2022 – 31 March 2023**

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## Legislative compliance

This document has been compiled to comply with clauses 2.4.23 and 2.4.24 of the Commerce Commission’s Electricity Distribution Information Disclosure Determination 2012.

Clause 2.4.23 requires that where an Electricity Distribution Business (“EDB”) makes a financial distribution on behalf of a consumer trust, the allocation methodology used to make the allocation amongst consumers must be publicly disclosed.

Clause 2.4.24 requires that the disclosure of the allocation methodology provides sufficient detail that consumers can accurately determine their entitlement.

## Introduction

Network Waitaki is 100 per cent owned by the Waitaki Power Trust, a consumer trust for the collective benefit of electricity consumers. Network Waitaki has a policy of allocating discounts to consumers on its network. This document describes the methodology used to make that allocation.

To qualify for a discount, consumers must be connected to the Network Waitaki network at 5:00 pm on the last working day of November. Where consumers have been connected for less than a full year, the discount will be adjusted in proportion to the length of time they have been connected to the network. This discount will only be applicable to a consumer’s point of connection active on the last working day of November.

Discounts generally appear as credits on consumers’ December or January monthly accounts from their electricity retailer.

For any questions on the discount please contact Network Waitaki (03) 433 0065 or email [service@networkwaitaki.co.nz](mailto:service@networkwaitaki.co.nz).

## Fixed discount

A statement of intent to pay a discount was published on the Network Waitaki website prior to 1 April 2022 in accordance with Inland Revenue expectations.

There is one component to the discount:

- A fixed discount component that was determined before the start of the 1 April 2022 to 31 March 2023 pricing period

The discount is given as a proportion of the fixed distribution component of each consumer class and do not change with volumes of electricity consumed.

In setting the discount, Network Waitaki takes the following into consideration:

- maintain the Company's line charges and associated profit level within the electricity industry requirements;
- promote consumer goodwill;
- encourage greater utilisation of the electricity distribution network; and
- promote consumer perception of Network Waitaki as a corporate body that makes a positive contribution to the community.

Network Waitaki will be allocating approximately **\$1.15 million** (GST inclusive), to consumers on its network. The details of the allocation are shown in Table 1.

### **Discounts for residential consumers**

Most residential<sup>1</sup> consumers connected to Network Waitaki's network are in one of the following price plan groups:

- Residential Low User Uncontrolled
- Residential Low User Controlled
- 0 – 15kVA (Uncontrolled)
- 0 – 15kVA (Controlled)

The *Government's Electricity (Low Fixed Charge Tariff Option for Domestic Consumers) Regulations 2004* (LFC regulations) mandate that the discounts which apply to Residential Low User consumers must not be inconsistent with the discounts that apply to residential consumers who are on alternative distributor price options. Network Waitaki is fully compliant with the LFC regulations.

### **Discount allocation**

Table 1 contains the discount allocation for each consumer group. Large consumers on individual assessed non-standard contracts ("IND") have been informed individually of their respective discounts.

Consumers should be able to find what consumer group they are in from the monthly account they receive from their electricity retailer. Consumers can also contact Network Waitaki if they are unsure of their consumer class.

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<sup>1</sup> Residential relates to Domestic premises as defined in the Electricity Industry Act 2010 as "Premises that are used or intended for occupation by a person principally as a place of residence; but does not include premises that constitute any part of premises described in section 5(c) to (k) of the Residential Tenancies Act 1986 (which refers to places such as jails, hospitals, hostels, hotels and other places providing temporary accommodation)."

| DISCOUNT FOR THE PERIOD 1 April 2022 to 31 March 2023 |                                     |                   |                      |                      |                      |                          |
|---|-------------------------------------|-------------------|----------------------|----------------------|----------------------|--------------------------|
| FIXED PRICE CODE                                      | DESCRIPTION                         | No. of Consumers  | Fixed                | Variable             | Total per consumer   | Total per consumer class |
|   |                                     | as at 29 Jul 2022 | \$/annum (incl. GST) | \$/annum (incl. GST) | \$/annum (incl. GST) | \$/annum (incl. GST)     |
| RLU   | Residential Low User - Uncontrolled | 847               | 56.35                | 0.00                 | 56.35                | 47,728.45                |
| RLC   | Residential Low User - Controlled   | 4482              | 75.90                | 0.00                 | 75.90                | 340,183.80               |
| 15U   | 0 - 15kVA - Uncontrolled            | 1832              | 56.35                | 0.00                 | 56.35                | 103,233.20               |
| 15C   | 0 - 15kVA - Controlled              | 4033              | 75.90                | 0.00                 | 75.90                | 306,104.70               |
| 30U   | 16 - 30kVA - Uncontrolled           | 468               | 87.40                | 0.00                 | 87.40                | 40,903.20                |
| 30C   | 16 - 30kVA - Controlled             | 197               | 103.50               | 0.00                 | 103.50               | 20,389.50                |
| 50U   | 31 - 50kVA - Uncontrolled           | 614               | 115.00               | 0.00                 | 115.00               | 70,610.00                |
| 50C   | 31 - 50kVA - Controlled             | 152               | 142.60               | 0.00                 | 142.60               | 21,675.20                |
| 100   | 51 - 100kVA                         | 362               | 196.65               | 0.00                 | 196.65               | 71,187.30                |
| 200   | 101 - 200kVA                        | 135               | 386.40               | 0.00                 | 386.40               | 52,164.00                |
| 300   | 201 - 300kVA                        | 53                | 511.75               | 0.00                 | 511.75               | 27,122.75                |
| 500   | 301 - 500kVA                        | 25                | 685.40               | 0.00                 | 685.40               | 17,135.00                |
| 750   | 501 - 750kVA                        | 13                | 1,012.00             | 0.00                 | 1,012.00             | 13,156.00                |
| IND   | Individually Assessed               | 31                | 26,294.78            | 0.00                 |                      | 26,294.78                |
| <b>TOTAL DISCOUNT ALLOCATION</b>                      |                                     |                   |                      |                      |                      | <b>1,157,888</b>         |

Table 1: Network Waitaki fixed discounts for the period 1 April 2022 to 31 March 2023