



DISCOUNT ALLOCATION METHODOLOGY

Electricity Distribution Information Disclosure Determination 2012, clauses 2.4.23 and 2.4.24

For the Period: 1 April 2021 – 31 March 2022

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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 December. 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 December.

Discounts generally appear as credits on consumers’ January or February 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.

Fixed discount

A statement of intent to pay a discount was published on the Network Waitaki website prior to 1 April 2021 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 2021 to 31 March 2022 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 residential¹ 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.

¹ 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 2021 to 31 March 2022						
FIXED PRICE CODE	DESCRIPTION	No. of Consumers	Fixed	Variable	Total per consumer	Total per consumer class
		as at 15 Oct 2021	\$/annum (incl. GST)	\$/annum (incl. GST)	\$/annum (incl. GST)	\$/annum (incl. GST)
RLU	Residential Low User - Uncontrolled	816	56.35	0.00	56.35	45,981.60
RLC	Residential Low User - Controlled	4439	75.90	0.00	75.90	336,920.10
15U	0 - 15kVA - Uncontrolled	1773	56.35	0.00	56.35	99,908.55
15C	0 - 15kVA - Controlled	4066	75.90	0.00	75.90	308,609.40
30U	16 - 30kVA - Uncontrolled	461	87.40	0.00	87.40	40,291.40
30C	16 - 30kVA - Controlled	195	103.50	0.00	103.50	20,182.50
50U	31 - 50kVA - Uncontrolled	623	115.00	0.00	115.00	71,645.00
50C	31 - 50kVA - Controlled	155	142.60	0.00	142.60	22,103.00
100	51 - 100kVA	364	197.80	0.00	197.80	71,999.20
200	101 - 200kVA	131	387.55	0.00	387.55	50,769.05
300	201 - 300kVA	53	514.05	0.00	514.05	27,244.65
500	301 - 500kVA	25	687.70	0.00	687.70	17,192.50
750	501 - 750kVA	12	1,015.45	0.00	1,015.45	12,185.40
IND	Individually Assessed	31	28,048.20	0.00		28,048.20
TOTAL DISCOUNT ALLOCATION						1,153,081

Table 1: Network Waitaki fixed discounts for the period 1 April 2021 to 31 March 2022