

# Waipa Networks Discount Allocation Methodology

March 2020

## Discount Methodology Disclosure

This disclosure is to set out the allocation methodology used by Waipa Networks Limited (WNL) for its March 2020 discount to customers. This disclosure is compliant with the requirements of sections 2.4.23 and 2.4.24 of the Electricity Distribution Information Disclosure Determination 2012 – (consolidated in 2015) although Waipa Networks believes it is not required to make any compulsory disclosure as the discount is not as a result of a customer's direct or indirect ownership interest.

### Definitions

Active connection      A livened metered connection to the network that is not vacant.

ICP                              Installation Control Point – a unique metered point of connection for every site connected to Waipa's network and does not have an individual Line Function Service Agreement. e.g. a home or business.

### Setting the Discount

Waipa Networks provides a discount to customers. Waipa Networks has budgeted to increase the total level of discount to \$5.05M from \$4.65M paid in 2018/19.

The final amount of the discount is determined by the Waipa Networks Board. The Waipa Networks Board approved the payment of \$2.325M of the budgeted discount of \$5.050M for 2019/20 year paid in September 2019. Any balance of the discretionary discount will be paid in March 2020.

In addition to the Waipa Networks discounts, Waipa Networks is distributing to customers the Transmission Rebates received for the period 1 August 2019 to 1 February 2020 of \$0.298M.

The total amount available for distribution including posted discounts, discretionary discounts and transmission discounts in March 2020 is \$3.32M excluding GST.

### Allocation of the Discount

Customers with an active connection to Waipa Networks and registered with an electricity retailer on **4 March 2020** qualify for a discount.

The discount for each qualifying ICP is calculated as the proportion of variable lines charges charged to each ICP of the total variable line charges charged to all ICP customers.

The line charges attributed to the ICP are irrespective of whether the current account holder had been associated with the ICP over the 12 month period. Customers who are the account holder for more than one ICP will receive a discount for each ICP.

### Timeframe

Waipa Networks completes the final allocation process and advises retailers on the discount for each ICP. Retailers then credit customers in accordance with retailers' normal billing cycle. The discount should appear as a credit on each power bill of the electricity account holder during March or April 2020 depending on the billing cycle the customer is on with their retailer.