

Waipa Networks Discount Allocation Methodology

June 2020

Discount Methodology Disclosure

This disclosure is to set out the allocation methodology used by Waipa Networks Limited (WNL) for its June 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 lived-in 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 may a discount to customers of \$4.980M this financial year.

The final amount of the discount is determined by the Waipa Networks Board. The Waipa Networks Board approved the payment of \$2,490M from the annual budget of \$4,980. This discount is being paid earlier than planned to assist customers affected by the Covid-19. It has been the companies practice to make a similar discount in September each year.

In addition to the Waipa Networks discounts, Waipa Networks is distributing to customers the Transmission Rebates received for the period 1 February to 30 April 2020 of \$157,988.

The total amount available for distribution including posted discounts, discretionary discounts and transmission discounts in June 2020 is \$2,649,988 excluding GST.

Allocation of the Discount

Customers with an active connection to Waipa Networks and registered with an electricity retailer on **10 June 2020** qualify for a discount.

The June discount is being allocated to customers on a pro rata basis across all qualifying consumers based on their variable Waipa Networks revenue value between March 2019 and February 2020. The Transmission rebates received by the company are being distributed to customers on the basis of Transpower costs paid between March 2019 and February 2020. Transmission costs are a component in each tariff.

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. This discount includes the posted discounts.

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 June or July 2020 depending on the billing cycle the customer is on with their retailer.