

Waipa Networks Discount Allocation Methodology

September 2022 Discount Methodology Disclosure

This disclosure is to set out the allocation methodology used by Waipa Networks Limited (WNL) for its September 2021 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 resolved to pay a discount to customers of \$4.8M for the 2022/23 Financial Year

The final amount of the discount is determined by the Waipa Networks Board. The Waipa Networks Board approved the payment of 50% (\$2.4M) of the budget discount for 2022/23 to be paid in September 2022. The discretionary discount will be \$2.4M less the posted discounts for the period.

In addition to the Waipa Networks discounts, Waipa Networks is distributing to customers the Transmission Rebates received for the period 1 February 2022 to 31 July 2022 of \$623,543.

The total amount available for distribution including posted discounts, discretionary discounts and transmission discounts in September 2022 is \$3,023,543 excluding GST.

Allocation of the Discount

Customers with an active connection to Waipa Networks and registered with an electricity retailer on **16 September 2022** qualify for a discount.

The September discount is being allocated to customers on a pro rata basis across all qualifying consumers based on their variable Waipa Networks revenue value between July 2021 and June 2022. The Transmission rebates received by the company are being distributed to customers on the basis of Transpower costs paid between July 2021 and June 2022. 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 customer accounts. The discount should appear as a credit on each power bill of the electricity account holder during September or October 2022 depending on the billing cycle the customer is on with their retailer.