



Waipā Networks Discount Allocation Methodology

March 2023 Discount Methodology Disclosure

This disclosure is to set out the allocation methodology used by Waipā Networks Limited for its March 2023 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 2018) although Waipā 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 Waipā's network and does not have an individual Line Function Service Agreement. e.g. a home or business.

Setting the Discount

Waipā Networks provides a discount to customers. Waipā Networks has estimated that the discount to customers will be \$4.8m for the 2022/2023 Financial Year.

The final amount of the discount is determined by the Waipā Networks Board. The Waipā Networks Board approved the payment of \$2.4m to be paid in September 2022. In addition, \$623,543 of transmission rebates were paid for the period from 1 February 2022 to 31 July 2022.

The Waipā Networks Board have approved that the remaining discount should be paid in March 2023. Due to a change in the regulations on how transmission rebates will be treated in 2023/2024 a final washup payment will be made in May.

Allocation of the Discount

Customers with an active connection to Waipā Networks and registered with an electricity retailer on **16 March 2023** qualify for a discount.

The March discount is being allocated to all qualifying consumers based on their variable kwh usage multiplied by the discount price/kwh for the period between 1 October 2022 and 31 January 2023. The transmission rebates received by the company are being distributed to customers on the basis of Transpower costs paid and rebates received between 1 August 2022 and 31 January 2023. Transmission costs are a component in each tariff.

A washup discount payment for the period from 1 February 2023 to 31 March 2023 and transmission rebates received from 1 February to 31 March 2023 will be paid out in May 2023. Customers with an active connection to Waipā Networks and registered with an electricity retailer on **11 May 2023** qualify for the washup discount.

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

Waipā Networks completes the final allocation process and advises retailers on the discount for each ICP. Retailers then credit customer accounts. The March discount should appear as a credit on each power bill of the electricity account holder during March or April 2023 (May or June for the May discount) depending on the billing cycle the customer is on with their retailer.