

Line company discount and energy trust distribution analysis 2019

1. This information should be read in conjunction with the latest Quarterly Survey of Domestic Electricity Prices report.
2. Most of New Zealand's 29 independent Electricity Distribution Businesses (EDBs) have some form of community or consumer ownership, either through a trust, cooperative or local territorial authority.
3. For those companies fully owned by trusts and cooperatives, lines charges discounts are a common method of distributing profit to consumers.
4. For tax purposes, line charge discounts apply to the bill **GST inclusive**. For practical purposes, all figures presented in this report are as the consumer would see them (*i.e.* dollars saved off a GST inclusive bill).
5. Most EDBs pay their discounts once a year, retrospectively, and these payments are fully discretionary. In a small number of cases, the discount is pre-advertised to consumers; Mainpower's discount is paid to consumers throughout the year and is included in retail prices.
6. Discounts are always paid as a credit on a consumer's electricity bill. In effect, households never receive the money, but instead receive a discount on their future electricity use (hence the term "discount").
7. A number of energy trusts also make distributions to consumer each year. In these instances an energy trust owns all or part of an energy business (which may be an EDB or an electricity retailer/generator). The energy business pays dividends to the trust and the trust uses some of that money to pay a distribution to the beneficiaries of the trust. Distributions are considered similar to cash payments. In effect the trust helps pay the power bill of the beneficiary.
8. Discounts and distributions have been modelled for an 8000 kWh per annum low user following the same assumptions used to model the QSDEP lines charges within the relevant networks. For more information on these please refer to the "Key Assumptions for the QSDEP" document published on our website.
9. Although every attempt has been made to ensure the information in the report is accurate, neither the Crown nor any Minister, employee or agent of the Crown:
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Lines company discounts made in year to 31 March 2019

Line Company	Paid to	General Rules – Note all discounts are off what the consumer pays (which for households is inclusive of GST)	For 8000 kWh per annum low user	
			Total amount	Rate per unit
Centralines	Eligible customers connected on a specific date.	Customers receive a discount of 2.26c per kWh, with a minimum discount of \$52.50 and a maximum discount of \$5,5775, per ICP. The discount will be calculated using ten months of consumption data from 1 June 2018	\$151 p.a.	1.9 c/kWh
Counties Power	Eligible customers connected on a specific date.	Customers receive a discount based on their connection's total line and transmission charges for the year ending 31 October 2018. Customers in the low user plan received a discount of 19.27% of the line fees paid.	\$195 p.a. (approx. ¹)	2.4 c/kWh
Electra	Eligible customers connected on a specific date.	Customers receive a discount of \$30.00 plus 16.75% of total lines charges for the year ending 31 January 2019.	\$192 p.a. (approx. ²)	2.4 c/kWh
EA Networks	Eligible customers connected on a specific date.	Customers receive a discount of 6.90% of total lines charges for the year ending 31 March 2019.	\$43 p.a.	0.5 c/kWh
MainPower	Does not apply in Kaiapoi or Wigram.	Customers receive a discount of 2.32 c/kWh (after a 10% prompt payment discount). This discount is paid at the time of billing and is included in advertised retail electricity prices.	\$185 p.a.	2.3 c/kWh
Marlborough Lines	Does not apply for "remote" ICP's.	Different discounts for individual tariff components. See Marlborough Lines price schedule ³ for details. The QSDEP model customer receives a discount of \$12.18 plus 3.0 c/kWh uncontrolled and 2.2 c/kWh controlled. See also the Marlborough Electric Power Trust distribution below.	\$227 p.a. (approx. ⁴)	2.8 c/kWh
Network Tasman	Eligible customers connected on a	Customers receive a discount of 2.99 c/kWh for usage in the year ending 31 March 2019.	\$239 p.a.	3.0 c/kWh

¹ Counties Power – based on lines charges for the year to 31 March 2019 (actual discount period was for year to 31 October 2018)

² Electra – based on lines charges for the year to 31 March 2019 (actual discount period was for year to 31 January 2019)

³ <https://www.marlboroughlines.co.nz/About-us/Disclosures/Pricing.aspx>

⁴ Marlborough Lines – based on lines charges for the year to 31 March 2019 (actual discount period was for year to 31 January 2019)

	specific date.	See also the Network Tasman Trust distribution below.								
Network Waitaki	Eligible customers connected on a specific date.	<table border="1"> <thead> <tr> <th>Residential plans</th> <th>Discount p.a.</th> </tr> </thead> <tbody> <tr> <td>Residential Low User - Uncontrolled</td> <td>\$84.41</td> </tr> <tr> <td>Residential Low User - Controlled</td> <td>\$114.55</td> </tr> </tbody> </table>	Residential plans	Discount p.a.	Residential Low User - Uncontrolled	\$84.41	Residential Low User - Controlled	\$114.55	\$115 p.a.	1.4 c/kWh
Residential plans	Discount p.a.									
Residential Low User - Uncontrolled	\$84.41									
Residential Low User - Controlled	\$114.55									
Scanpower	Eligible customers connected on a specific date.	Customers receive a discount of \$300.	\$300 p.a.	3.8 c/kWh						
The Power Company	Eligible customers connected on a specific date.	Customers receive a discount of 2.01 c/kWh for usage in the year ending 31 July 2018.	\$161 p.a.	2.0 c/kWh						
Top Energy	Eligible customers connected on a specific date.	Customers receive a discount based on consumption in year ending 31 August 2018. Minimum discount of \$57 up to maximum of \$200 for customers consuming over 1,130 kWh.	\$200 p.a.	2.5 c/kWh						
		<table border="1"> <thead> <tr> <th>Discount component</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>Fixed (per day)</td> <td>\$0.155</td> </tr> <tr> <td>Variable (per kWh)</td> <td>\$0.127</td> </tr> </tbody> </table>	Discount component	Rate	Fixed (per day)	\$0.155	Variable (per kWh)	\$0.127		
Discount component	Rate									
Fixed (per day)	\$0.155									
Variable (per kWh)	\$0.127									
Waipa Networks	Eligible customers connected on a specific date.	Different discounts for individual tariff components. See Waipa Networks discount allocation methodology document ⁵ for details. The QSDEP model customer receives a discount of 13.21% of network variable line charges and 2.55% of transmission variable line charges paid in the year to 31 December 2018.	\$71 p.a. (approx. ⁶)	0.9 c/kWh						
Westpower	Eligible customers connected on a specific date.	Customers receive a discount of \$15 plus 1.8339 c/kWh for usage in the year ending 30 September 2018.	\$162 p.a.	2.0 c/kWh						

⁵ <http://waipanetworks.co.nz/disclosure/lines-charges/>

⁶ Waipa Networks – based on lines charges for the year to 31 March 2019 (actual discount period was for year to 31 December 2018)

Energy trust distributions made in year to 31 March 2019

Energy Trust	Shareholding in relevant Energy Company	Paid to	General Rules	For 8000 kWh per annum low user							
				Total amount	Rate per unit						
Central Hawke's Bay Consumers Power Trust	100% of Centralines	Eligible customers in the Centralines line area.	Beneficiaries receive \$905 per ICP.	\$905 p.a.	11.3 c/kWh						
Line Trust South Canterbury	40% of Alpine Energy	Eligible customers in the Alpine Energy line area.	<table border="1"> <thead> <tr> <th>Plans</th> <th>Distribution p.a.</th> </tr> </thead> <tbody> <tr> <td>All connections less than 15kVA</td> <td>\$60.00</td> </tr> <tr> <td>Three phase connection</td> <td>\$201.82</td> </tr> </tbody> </table>	Plans	Distribution p.a.	All connections less than 15kVA	\$60.00	Three phase connection	\$201.82	\$60 p.a.	0.8 c/kWh
Plans	Distribution p.a.										
All connections less than 15kVA	\$60.00										
Three phase connection	\$201.82										
Marlborough Electric Power Trust	100% Marlborough Lines	Eligible customers in the Marlborough Lines line area.	Beneficiaries receive \$185.00 in addition to the Marlborough Lines discounts.	\$185 p.a.	2.6 c/kWh						
Network Tasman Trust	100% Network Tasman Trust	Eligible customers in the Network Tasman line area.	Beneficiaries receive \$80.00 in addition to the Network Tasman discounts; paid via consumers' power accounts	\$80 p.a.	1.0 c/kWh						
Northpower Electric Power Trust	100% Northpower	Eligible customers in the Northpower line area.	Beneficiaries receive \$120.00.	\$120 p.a.	1.5 c/kWh						
Waitomo Energy Services Consumer Trust	100% The Lines Company	Eligible customers of The Lines Company serviced by the following GXPs: <ul style="list-style-type: none"> • Hangatiki • Whakamaru 	Figures for March year 2019 were unavailable at the time of publishing.	N/A	N/A						
King Country Electric Power Trust	20% King Country Energy	Eligible customers serviced by the following GXPs: <ul style="list-style-type: none"> • National Park • Ohakune • Ongarue • Tokaanu 	Beneficiaries receive \$52.89 per ICP.	\$53 p.a.	0.7 c/kWh						
Hawkes Bay Power Consumers Trust	100% Unison Networks	Eligible customers in Unison's Hawkes Bay line area.	Beneficiaries receive \$220.	\$220 p.a.	2.8 c/kWh						
Entrust	75.1% Vector	Eligible customers in the Vector's Auckland line area.	Beneficiaries receive \$350.	\$350 p.a.	4.4 c/kWh						
Tauranga Energy Consumers Trust	26.8% TrustPower	Eligible customers of TrustPower serviced in Powerco's Tauranga line area. Specifically areas originally supplied by either the Tauranga Electric Power Board or Tauranga Electricity Ltd. Consumers	Beneficiaries receive a fixed amount between \$435 and \$585, depending on the services they receive from Trustpower, plus a small variable amount based on their total spend over the six month qualifying period.	\$435 p.a.	5.4 c/kWh						

		must have an active TrustPower power account from 1 April to 30 September continuously.			
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