

Electra Electricity Distribution Pricing Effective 1 April 2017

You may be interested to know:

1 What has changed?

- 1.1 Overall Electra prices have increased by 2.6%
- 1.2 Changes to the Transmission portion of our prices reflect the increase in Transmission charges that will be applied by Transpower (4.89%).
- 1.3 Increase to the Distribution portion is limited to CPI of 1.7% as forecast in October 2016 ANZ Economic Outlook

2 Who bears the costs?

- 2.1 Electra is pursuing the Electricity Authority programme of implementing “Cost Reflective Pricing”. As a result, price increases have been applied to consumption during periods of high demand - because there is strong linkage between high demand and how big the network needs to be.

3 Anything else?

- 3.1 Electra has introduced a new Low User Fixed Charge that is associated with the Time of Use price option. This is aimed at encouraging customers to adopt the Time of Use price option and reward customers with lower prices if they reduce their demand during high load periods (7am to 11 am and 5pm to 9pm)
- 3.2 Customers are invited to contact Electra for ideas on how to reduce demand during high load periods – examples of this are using washing machines, driers and dishwashers outside of these time periods

4 How does my Retailer pass these price changes on to me?

- 4.1 Electra has been consulting with electricity Retailers together with other network companies in the Electricity Networks Association to develop Cost Reflective Pricing options. This has been to gather their input on how these options can be made available to their customers.
- 4.2 Ultimately, retail electricity price offerings are determined by electricity Retailers by their own marketing and pricing strategies, and these strategies may not directly pass on the electricity Network price options

5 What can I expect in future?

- 5.1 Electra will be progressively making Time of Use price options more attractive than Anytime flat rate options - because there is strong linkage between high demand and how big the network needs to be.
- 5.2 Energy consumption trends in Kapiti and Horowhenua, across New Zealand and indeed internationally are showing that peak demand is growing (more appliances are being used at the same time) through energy efficiency in appliances and better insulated homes means that overall energy consumption is decreasing. To fairly share the costs of building infrastructure to meet peak demand price options will reflect usage that encourages efficient use of electricity infrastructure.