

Electra Electricity Distribution Pricing Effective 1 April 2019

You may be interested to know:

1 What has changed?

- 1.1 Overall Electra prices have decreased by 1.2% even though CPI is forecast to increase by 2%
- 1.2 Availability of water at Mangahao hydro power station from a wet 2018 winter has fortuitously reduced peak charges for 2019/20. This is the second year in a row that this has happened and is likely to return to historical levels in future.
- 1.3 Electra has improved our system to manage winter peak demand. This, in conjunction with greater generation at Mangahao has helped to lower costs.

2 How are costs shared?

- 2.1 Electra is pursuing the Electricity Authority program of implementing “Cost Reflective Pricing” and has introduced two new price groups with higher daily charges and lower energy charges. These offer savings for residential customers using more than 8000 kWh / year. These better reflect the fact that a large proportion of costs relate directly to the network, rather than the energy used.

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

- 3.1 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.
- 3.2 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

4 What can I expect in future?

- 4.1 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.
- 4.2 Energy consumption trends in Kapiti, Horowhenua, across New Zealand and 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, we will develop price options to encourage efficient use of electricity infrastructure.