Electra Electricity Distribution Pricing Effective 1 May 2018

You may be interested to know:

1 What has changed?

1.1 Overall Electra prices have increased by 1.7% - lower than forecast CPI of 2.1%

1.2 Availability of water at Mangahao from a very wet 2017 winter has fortuitously reduced peak charges for 2018/19. We expect this will return to historical levels this year.

2 Who bares the costs?

2.1 Electra is pursuing the Electricity Authority program of implementing "Cost Reflective Pricing". Electra has reviewed and reduced the differential between peak and off-peak pricing, bringing these closer while still incentivising consumption to shift to off peak periods. As there is strong linkage between high demand and how big the network needs to be.

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 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.