

Electricity price changes effective 1 April 2021

Powerco's network prices are increasing by around 1.4% from 1 April 2021.

Component	Eastern		Western	Overall
	Tauranga	Valley		
Distribution	-1.0%	0.1%	-0.6%	-0.5%
Transmission	2.5%	2.8%	11.0%	6.4%
Overall	0.0%	1.0%	2.3%	1.4%

The distribution component makes up around 70% of the total network charge, and prices are decreasing by an average of 0.5%.

Transmission and other third-party costs make up around 30% of the total network charge, and prices are increasing by an average of 6.4%.

The total network charge we pass to your retailer depends on how and when you use the network, as it is based on several components (eg fixed and variable). This network charge reflects the costs of providing distribution and transmission services to you, and can change from year to year.

Average changes by region and consumer group

The price changes can vary between regions and between consumer groups. This reflects the different costs of supply and uses of the network within those regions and groups.

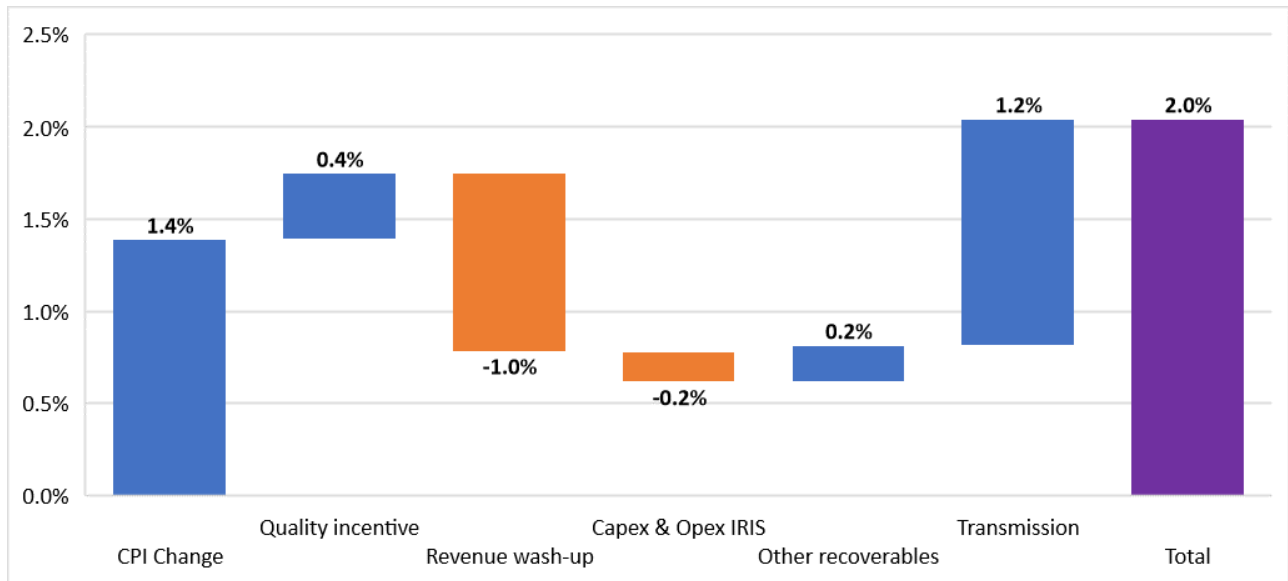
Component	Eastern		Western	Overall
	Tauranga	Valley		
Residential	-0.2%	0.3%	2.3%	1.3%
Commercial	0.4%	1.1%	1.6%	0.9%
Industrial	0.7%	2.9%	2.4%	2.1%
Overall	0.0%	1.0%	2.3%	1.4%

Drivers of the changes

Our forecast allowable revenue for the year beginning 1 April 2021 is up by 2.0% compared to last year. Our prices will increase slightly to enable us to recover this increased allowable revenue. Only a 1.4% increase in prices is required, as forecast energy consumption volumes on our network have also increased.

As per the chart below, most of the increase in allowable revenue comes from a CPI adjustment and an increase in Transpower's charges (which is 98% of the Transmission component). Further information on these changes can be found in Section 4 of our annual Pricing Methodology.

Percentage contribution to change in allowable revenue (FY21-FY22)



Other changes to our pricing

1. Change in variable charge elements

- The night rate will increase, aligning it closer to the off-peak rate, reflecting that night usage is purely in off-peak hours.
- The all-inclusive rate will increase relative to our uncontrolled rate, to further our aims of aligning the two rates.
- The TOU all-inclusive rates will increase relative to the TOU uncontrolled rates, for the same alignment purposes as above.
- The uncontrolled rate will increase relative to TOU prices, with the intention of aligning them over time.

2. Reduction of minimum Anytime Maximum Demand (“AMD”) in Western Region

From 1 April 2021 we are reducing the minimum chargeable AMD for the E100 & E300 Price Categories to 30kW and 100kW respectively. Currently the minimums are set at 100kW & 300kW respectively.

3. Consolidation and migration of Price Categories

- The T/V05 and T/V06 Price Categories will be closed and consolidated into their TOU counterparts (T/V05S and T/V06S).
- The V24 Price Category effectively renamed to V22
- The T24 Price Category effectively renamed to T28
- The T41 Price Category will be closed, and the ICPs migrated to T28, which covers an identical connection capacity range.

Want to know more?

Further details of our pricing, and the changes implemented this year, can be found in our:

- Pricing Methodology
- Pricing Policy
- Pricing Schedules
- Pricing Roadmap

www.powerco.co.nz/publications/pricing-documents/

Any questions? Contact our Pricing team: pricing@powerco.co.nz. They'd love to hear from you.

