



## Electricity price change effective 1 April 2017

The final prices contained in the Pricing Schedules and associated Pricing Policy reflects an average overall nominal increase in charges of 1.7%. This increase can be broken down as follows:

- CPI adjustment of 0.3%
- Pass through of an increase in transmission charges which adds a further 1.4% (approximately) to the overall price increase

### Average price changes vary by region and consumer group

The variations between regions and consumer groups are the result of minor re-balancing of our charges to ensure consistency between regions and alignment with our underlying costs.

This helps to ensure that all consumers across our various regions and consumer groups pay a fair amount that reflects their use of the network and the costs associated with their supply.

Table 1. Average mass market movement in network charges by region.

Consumer Group	Region			
	Tauranga	Valley	Western	Overall
Mass Market	0.2%	0.2%	2.3%	1.4%
Commercial/Industrial	0.2%	1.6%	2.5%	1.4%
Industrial	2.4%	3.7%	3.3%	3.2%
Overall	0.6%	1.1%	2.5%	1.7%

### Other changes:

#### Transmission Charges

Transpower have increased their charges to Powerco by approximately 7% from last year. The transmission and other pass through costs (such as rates and levies) contribute approximately 1.4% of towards the 1.7% overall increase.

#### Introduction of TOU tariffs in the Eastern Region

We are introducing TOU tariffs in the Eastern region as part of a trial for all mass market consumers on the T05/T06 and V05/V06 price categories with advanced metering. We anticipate that the trial will provide us with valuable insights into customer's preferences for these types of tariffs in advance of us rolling out our new price strategy over the coming years. As such the tariffs and the differentials are subject to change.

This trial will be initially limited to 500 customers. We have asked all retailers to contact us if they wish to be part of the trial.

#### Closure of All Inclusive tariff option to new connections

We will be closing the All Inclusive Tariff (AICO) option to all new connections. It will still be available for those connections with a meter installed before 1 April 2017. It will however, not be available for any subsequent meter replacements after this date.

#### Further details

Further details of our pricing structures and changes implemented this year can be found in our Pricing Methodology Disclosure and our Pricing Schedule at:

<http://www.powerco.co.nz/Publications-and-Disclosures/Pricing-Schedules/Electricity/>

If you have any questions about this information please contact Michael Warren (Electricity Revenue Manager) on 06 759 6235 or via email [Michael.warren@powerco.co.nz](mailto:Michael.warren@powerco.co.nz)