



POWERNET LIMITED LINE PRICING METHODOLOGY

**FOR THE ELECTRICITY INVERCARGILL LIMITED NETWORK
AS AT 1 APRIL 2020**

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GLOSSARY OF TERMS

After Diversity Maximum Demand (ADMD) is the customer's Maximum Demand after it has been adjusted by the Diversity Factor.

Anytime Maximum Demand (AMD) is the Maximum Demand of the customer measured at the customer's installation during any half hour period during the year.

Coincident Grid Maximum Demand is the average of the 100 demand measurements of the customer which are coincident with the 100 highest demands which occur on the Transpower grid in the lower South Island region during the assessment period 1 September to 31 August which the Transpower Interconnection charges are based.

Contract Capacity is the capacity of a customer used for billing purposes. It is formalised by way of agreement and control can be by way of the ICP fusing or the Anytime Maximum Demand.

Customer refers to the person or body that is responsible for an electrical installation that is connected to Electricity Invercargill Limited's electricity network.

Distributed Generation or embedded generation is electricity generation that is connected directly to a distribution network.

Diversity Factor is the factor applied to a load or customer demand to allow for the use of electricity at different times. In theory the sum of the customer Maximum Demands after the Diversity Factors have been applied should equal the Maximum Demand measured at the GXP.

ENA is the Electricity Networks Association

Grid Exit Point (GXP) means the Grid Exit Point and is the connection point between the Transpower grid and the Electricity Invercargill Limited network

Residential & General Customers include most customers with a Contract Capacity up to and including 100 kVA.

Half Hour Metering (HHM) describes the metering equipment that is capable of measuring electricity consumption on a half hour basis and when the half hour readings are used for billing purposes.

Individual Customers are in most cases commercial or industrial customers that have a Contract Capacity equal to or in excess of 100kVA.

Installation Control Point (ICP) is the point of connection between the Electricity Invercargill Limited network and the Retailer's customer.

Maximum Demand (MD) of a customer is the maximum demand of the customer that occurs throughout the specified Peak Period Energy time periods for each GXP or if that measurement is not available it is based on the Contract Capacity.

Optimised Depreciated Replacement Cost (ODRC) relates to the network assets and is the current depreciated value of all the network assets based on an efficient network design using modern equivalent assets.

Retailers are the companies that generate and/or buy electricity and then sell this service to end use customers utilising the local electricity network.

Time of Use (TOU) refers to meters that are capable of providing Anytime and Maximum Demand readings and Peak, Shoulder and Low Period Energy readings for billing purposes.

Transpower is the State Owned Enterprise that owns the transmission network and delivers electricity to Electricity Distribution Businesses (EDBs).

EXECUTIVE SUMMARY

This pricing methodology document describes the approach used by Electricity Invercargill Limited (EIL) to set prices for the 12 months commencing 1 April 2020. It has been prepared to meet the requirements of the Commerce Commission's NZCC 22/2012 Electricity Distribution Information Disclosure Determination 1 October 2012. It also assesses EIL's methodology against the recently revised Distribution Pricing Principles that were issued by the Electricity Authority in 2019.

This 2020 pricing methodology does not vary significantly from the previous year, either in terms of the methodology used to allocate costs to customer groups and individual customers, or in terms of pricing structures used. As EIL is subject to Price-Quality Path regulation by the Commerce Commission, EIL's target revenue is set in accordance with the Commission's Determination. EIL then derives target revenue for each customer group and individual larger customers using a detailed cost of supply model that links charges to cost drivers and allocates costs to customers based on network usage and capacity requirements.

For the period 1 April 2020 to 31 March 2021, EIL's target revenue is \$19.5 million, which results in a reduction in revenue as compared with the previous year (\$20.7m). The reduction is driven by the Commerce Commission's 5-year reset of allowable revenue, which included a significant decrease in the return on capital. Transmission charges from Transpower, which are passed on by EIL, also reduced.

On average, lines charges will decrease by around 5.68%. Changes in charges for individual customers will vary according to their usage profiles.

The way in which prices are structured is a tool that networks can use to signal times of day when networks are closest to capacity, allowing customers to choose whether to respond. Where customers are able to shift load and opt to do so (or allow the network to control a portion of load), those customers can be rewarded with lower lines charges.

EIL already has a form of time-of-day pricing, and only charges for network use during the hours of 7am-11pm. It is looking at whether to refine these pricing signals so that peak prices are targeted at a much narrower set of busy network periods (eg, during the morning and evening peak periods). Even though EIL's network is not currently facing significant capacity constraints, that could change in future, particularly in the context of possible future growth in electric vehicle uptake. Having pricing structures in place that signal peak periods will allow customers to become accustomed to those pricing signals and enable EIL to understand the extent to which customers respond, in advance of capacity constraints being approached.

The prices that EIL sets are charged to electricity retailers. Electricity retailers determine how to package these charges together with the energy, metering and other retail costs when setting the retail prices that appear in consumers' power accounts. This means that EIL's pricing structures are not necessarily reflected in retail prices. However, collaborative industry engagement has seen progress in the implementation of time-of-use pricing by retailers

1. INTRODUCTION

EIL faces a number of regulatory requirements relevant to pricing that are administered by either the Commerce Commission or the Electricity Authority. EIL's total revenue is regulated under the Commerce Commission's Default Price-Quality Path Determination 2019. In addition, the Commission's Information Disclosure Determination requires EIL to disclose a pricing methodology each year. The purpose of this document is to comply with the disclosure requirements by describing the methodology EIL uses to economically reflect the costs of providing delivery services to the different consumer groups supplied on the network. This document also assesses how our pricing compares with the Electricity Authority's Distribution Pricing Principles.

We first provide contextual information about the EIL's network (section 2), then present an overview of our prices and how they are set (section **Error! Reference source not found.**). We then assess our pricing against the Authority's Distribution Pricing Principles (section **Error! Reference source not found.**). This is followed by a more detailed discussion of how overall target revenue is determined, how that revenue is allocated to customer groups, and the methodology used to convert the revenue requirement into prices (sections 5 to 9). Charges that would be applied for generators connected to EIL's network are described (section 10). Finally, we discuss our forward pricing strategy (section 11).

2. BACKGROUND INFORMATION ABOUT EIL

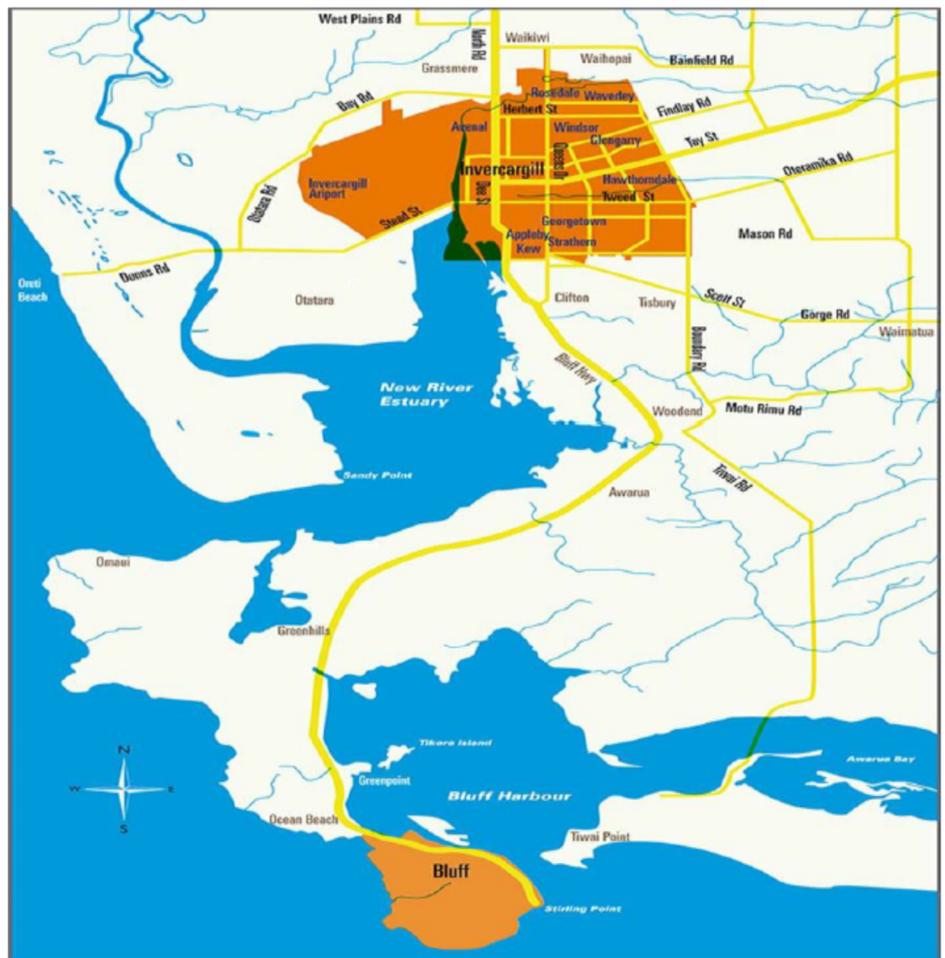
2.1 The EIL network

Electricity Invercargill Limited is an electricity network asset company formed in 1991. The company is owned by the Invercargill City Council through its subsidiary company Invercargill City Holdings Ltd (ICHL). It is a wholly owned subsidiary of Invercargill City Holdings Limited (ICHL).

EIL owns the electricity network assets in Invercargill City and the Bluff township area. PowerNet Limited (PNL) has a responsibility for the management of the network assets owned by Electricity Invercargill Limited (EIL).

A geographically compact network, EIL supplies more than 17,400 connections to residential, commercial and industrial customers.

The high proportion of underground cabling means that the EIL network consistently performs as one of the most reliable networks in New Zealand.



Transpower's Invercargill Transmission Grid Exit Point (GXP) substation is the 33 kV supply point for both the Invercargill and Bluff network areas. In addition, a limited backup supply is available from the North Makarewa GXP. Bluff is supplied at 11 kV via TPCL's overhead sub-transmission lines, and the Bluff zone substation.

EIL's distribution network includes 22.8km of 11kV lines and 159.0km of 11kV underground cables. With more than 400 distribution substations, comprising 11 kV switchgear and distribution transformers, the distribution network supplies over 450 km of low voltage network operating at 400/230 V.

2.2 Network Investment

As at end March 2019, the value of EIL's network assets in its Regulatory Asset Base was \$86.6m. Over the next 5 years EIL intends to invest \$20.8m in its network, of which the majority relates to asset replacements (\$15.8m).

EIL's network is generally unconstrained and with a maximum demand growth forecast of only 0.4%, EIL is not currently forecasting any system growth capital expenditure during the next 5 years.

2.3 Uptake of evolving technology

A number of technologies have the potential to change the way electricity is used and generated. Pricing has a role to play in providing efficient signals about the economic costs of using electricity networks. In that context, we provide a brief summary of existing and expected uptake of a number of these technologies: solar, electric vehicles and battery storage.

Solar (Photovoltaic) connections

As at end February 2019, EIL had 104 solar connections to its network, equivalent to 0.6% of all EIL's connections. This rate is significantly below the national uptake rate of 1.2%, and well below the rate of 2.5-3% occurring in the highest uptake EDB areas. There is no apparent acceleration in uptake on EIL's network: the number of new solar connections over the 12 months to February 2020 was 13, the same as for the prior 12 months.

The potential for growth in solar uptake and impact on the network is explored in the AMP, which finds that while reducing costs are likely to increase the number of households for which a solar installation is cost-neutral, solar uptake is not expected to be widespread on the EIL network within the planning period for a number of reasons, including that: (1) it appears that the majority of customers either cannot afford a solar installation, are unable to install solar (e.g. live in rental properties), or prefer to dispose of their income elsewhere; and (2) energy cost reduction options such as home insulation and electric vehicles are now also receiving increased attention and generally offer a superior return.

The AMP finds that total energy consumption is likely to be reduced to some extent by solar installations within the AMP planning period. While energy consumption levels do not tend to affect network planning, which focuses on providing capacity for peak demand periods, it does affect price levels, to the extent that some component of price is set based on energy consumption (kWh). This is relevant to the development of our forward pricing strategy.

Electric vehicles

Although electric vehicle uptake is currently low, as is explained in our AMP, EVs have the potential to have large impact on network demand with sufficient adoption.

Prices are an important means for signalling peak periods, and enabling EV users to choose whether to charge off-peak, or pay a premium and charge during peak periods. If consumers choose not to charge off-peak in response to price signals, electric vehicle charging may exacerbate peak demand, triggering greater investment. This effect will be greatest on the suburban LV network in built up urban and semi-urban areas as the upstream MV network generally has sufficient capacity to allow for the forecast increases in load from electric vehicles. As is explained in the AMP, the lower diversity on the LV network makes it both more likely that voltage issues will occur, and more difficult to predict in advance where those issues will occur.

Having pricing structures in place before EV uptake reaches widespread levels will enable customer education before load shifting is required from a network capacity perspective. It will also allow networks to understand the effectiveness of price signals in managing EV loads before load capacity is reached.

Energy storage

As is explained in our AMP, energy storage could have a large impact on network demand especially if used in combination with distributed generation installations. However there is significant uncertainty in this area around the viability of alternative battery chemistries and the timing of their introduction; the regulatory environment and the extent to which electricity distribution businesses will be able to promote/utilise/market storage services; and the level of responsiveness of the public to load-driven pricing signals.

Under the status quo this technology is not economic except in exceptional circumstances, and it is not expected that there will be major developments in this area for the next five years. EIL has been engaged in pilot studies to explore how consumers may use energy storage to respond to price signals.

2.4 PowerNet/Electricity Invercargill Ltd (EIL) Structure

PowerNet Limited (PowerNet) is an incorporated joint venture owned by TPCL and Electricity Invercargill Limited (EIL) and is contracted to manage the network assets of EIL in accordance with a Network Management Agreement (Agreement).

The Agreement includes provision for PowerNet to act as agent on behalf of EIL to collect revenue from line and metering charges to retailers or end consumers, pay transmission costs, incur maintenance expenditure and to pass the net amount through to EIL each month as its agent. PowerNet charges an agency fee that covers its overheads for operating the line and metering agencies for EIL.

3. EIL PRICING OVERVIEW

EIL's prices are used to charge electricity retailers for the cost of its local electricity distribution network, pass-through costs (such as industry levies) and the costs associated with national grid transmission. As highlighted above, electricity retailers determine how to package these charges together with the energy, metering and other retail costs when setting the retail prices that appear in consumers' power accounts.

PowerNet uses "GXP billing" for its residential & general connections. This means that variable consumption charges are based on electricity volumes injected into the network at the Transpower grid exit points, rather than based on the usage at individual customer connection points. Quantities are determined by the wholesale electricity market reconciliation process, which is itself governed by an Industry Participation Code. This method saves on administration costs, which are ultimately transferred back into the pricing.

3.1 Consumer load groups used for pricing

There are two defined types of consumers for the purposes of EIL's pricing: Residential & General consumers; and Individual Consumers (for which prices are connection-specific).

3.1.1 Individual Consumers

These consumers have half-hour or time-of-use meters, including kVA maximum demand registers.

In most cases these installations have contract capacities in excess of 100kVA. Due to their size, these consumers have a higher impact on the network design and operation and therefore this is taken into account when calculating their individual line charges. This also provides a signal for future investment and through the correct pricing discourages network by-pass.

Individual factors considered in cost allocations to individual line charge customers include:

- Connections having dedicated transformers.
- Low percentage use of the low voltage network
- Low diversity as capacity and demand increases
- Customer owned transformers.
- Additional security and back supplies, n-1.
- Higher importance on network maintenance

These consumers, through the half-hour or time-of-use metering, have individual profiles, which are used to calculate the line charges. Metering of these consumers includes kVA demand metering which provides the winter or seasonal peak demand and also the anytime peak demand. The latter

figures are used in the calculation of line charges and to determine the contract capacity. For these consumers, the contract capacity is based on the next highest standard transformer size above their anytime demand or, alternatively, as per the original contract if growth is predicted and the network has been designed and built to supply the increased level.

3.1.2 Residential & General Consumers

The Residential & General category includes all residential connections and general single and 3 phase connections up to 100kVA capacity. Prices for these customers include a daily charge and a kWh price applied to energy used during the Day period, which is defined as 7am to 11pm. Energy usage during the Night period (11pm to 7am) does not attract any charge.

Prices for Residential & General consumers vary according to:

- Capacity:
 - General connections are split between single and three phase categories, they are then further disaggregated into load groups based on the size of the service fuse or size of transformer supplying them. The differentials between load groups reflect the use of the network assets for each group and the diversity each group has around peak load times.
 - Residential connections are either 8 kVA or 15 kVA. 8kVA residential connections require a 32-amp circuit breaker to be installed on the main switchboard to control the complete installation. This capacity is only allowed for single-phase installations.
 - Different consumer groups are based on practical fuse sizes. For pricing purposes, all residential consumers are classed as single-phase irrespective of whether they are supplied two-phase or three-phase. This is due to the fact that for many of the consumers there was no choice in their method of supply and there are many older multi-phase residential installations. All old residential consumer installations are classed as “historic residential”.
- **Control:** Whether there is significant controllable load on the premises. If so, the connection qualifies for a “with off peak” line charge, which is lower than the “all peak” prices that apply connections without significant controllable load. The eligibility for a “with off peak” line charge is determined on the basis that at least 25% of the total annual energy consumption is separately metered on a ripple controlled tariff, such as a water heater or consumed between 23:00 and 07:00 hours.

In line with the Electricity (Low Fixed Charge Tariff Option for Domestic Consumers) Regulations 2004, residential customers consuming less than 9000 kWh per annum are able to transfer to the Domestic Low User option tariffs. These options attract a lower fixed daily charge and a higher variable consumption charge. Retailers with customers on these tariffs must submit the monthly consumption amounts for these customers in a separate file to PowerNet.

The consumer specific pricing options available for Residential & General consumers are as follows:

| Contract Capacity Group | Code |
|--|--------|
| Residential | |
| Residential (8kVA 1 Phase) - All Peak * | ND08P |
| Residential (8kVA 1 Phase) - With Off Peak * | ND08Q |
| Standard Residential (15kVA 1 Phase) - All Peak | ND20P |
| Standard Residential (15kVA 1 Phase) - With Off Peak | ND20Q |
| Residential Low User (15kVA 1 Phase) - All Peak | NDL20P |
| Residential Low User (15kVA 1 Phase) - With Off Peak | NDL20Q |
| Residential Low User (8kVA 1 Phase) - All Peak* | NDL08P |
| Residential Low User (8kVA 1 Phase) - With Off Peak* | NDL08Q |
| General Single Phase | |
| Street Lights (1 Phase) per street light | NS001L |
| 1 kVA 1 Phase - All Peak | NS001P |
| 8 kVA 1 Phase - All Peak | NS008P |
| 8 kVA 1 Phase - With Off Peak | NS008Q |
| 15 kVA 1 Phase - All Peak | NS020P |
| 15 kVA 1 Phase - With Off Peak | NS020Q |
| General Three Phase | |
| 15 kVA 3 Phase - All Peak | NT015P |
| 15 kVA 3 Phase - With Off Peak | NT015Q |
| 30 kVA 3 Phase - All Peak | NT030P |
| 30 kVA 3 Phase - With Off Peak | NT030Q |
| 50 kVA 3 Phase - All Peak | NT050P |
| 50 kVA 3 Phase - With Off Peak | NT050Q |
| 75 kVA 3 Phase - All Peak | NT075P |
| 75 kVA 3 Phase - With Off Peak | NT075Q |
| 100 kVA 3 Phase - All Peak | NT100P |
| 100 kVA 3 Phase - With Off Peak | NT100Q |

3.2 Summary of target revenue and pricing changes

EIL has not made any significant change to its pricing structure for the 12 months from 1 April 2020. Refinements made to EIL's pricing definitions are:

- a new tariff has been created for an export charge for residential and general customers exporting distributed generation into the network. This requirement will allow EIL visibility of the amount of kWh being supplied by solar generation. The price is set at zero, so does not result in any change in charges to consumers.
- the description for residential and general 20kVA price codes will now state 15kVA to reflect that 63amp fuses are used for this customer group. This is considered a more accurate

means for rounding and will bring consistency with other lines companies. This does not have any impact on customers or their electricity supply.

Target revenue for 2020/21 is calculated at \$19.5 million, decreasing from \$20.7 million the previous year. Below is a summary revenue for both transmission costs and distribution price components broken down by the two customer group categories for the 2020-21 year. We also outline the change in revenue compared with the previous year:

| Year 2020-21 | Residential & General | Individual | Total |
|-----------------------------------|----------------------------------|---------------------|---------------------|
| Distribution | \$10,562,018 | \$1,695,982 | \$12,258,000 |
| Pass-through costs | \$423,978 | \$4,441 | \$428,419 |
| Recoverable costs | \$951,651 | \$179,020 | \$1,130,671 |
| Transmission | \$4,337,282 | \$1,313,723 | \$5,651,005 |
| Total | 16,274,929 | \$ 3,193,166 | \$19,468,095 |
| Revenue from previous year | | | |
| Distribution | \$11,897,336 | \$1,883,750 | \$13,781,086 |
| Pass-through costs | \$180,816 | \$1,897 | \$182,713 |
| Recoverable costs | \$88,966 | \$16,417 | \$105,383 |
| Transmission | \$5,089,882 | \$1,514,566 | \$6,604,448 |
| Total | 17,257,033 | \$ 3,416,630 | \$20,673,666 |

Pass-through & recoverable costs have now been itemised, as this is a requirement of the Default Price-Quality Path. Transmission changes relate to a decrease in Transpower's interconnection charge rate and a decrease in the interconnection peak demand.

On average lines charges will reduce by 5.68% from 1 April 2020. Residential customer pricing is as follows:

| | Unit | 2019/20 | 2020/21 |
|----------------------------------|--------------|----------------|----------------|
| Fixed Charges | | | |
| Domestic | \$/day | 0.9002 | 0.8491 |
| Variable Charges | | | |
| All except low user – Day | c/kWh | 7.473 | 7.049 |
| Low User - Day | c/kWh | 11.578 | 10.915 |

3.3 Customer consultation

Where significant changes in pricing structure are considered, PowerNet consults with customers. While the pricing to apply 1 April 2020 does not involve any significant changes, PowerNet does anticipate consulting over the next 12 months on the potential to introduce Time-of-Use pricing.

Even in the absence of significant pricing change, PowerNet seeks the views of consumers as part of the Asset Management Process (AMP) and has reflected these views in the published AMP. This included

1. A face to face survey with key clients including expectations on price and current service
2. A bulk phone survey of current customers including expectations on price and quality
3. Consultation meetings at various locations throughout the network
4. Individual consumers are consulted as they consider supply upgrades or new connections to the network.

The views are considered in preparation of the AMP.

Quality in the form of security of supply (n versus n-1), capacity (equipment loadings) both impact on the cost of supply and subsequently prices charged. Price is able to be varied through different payment options (such as capital contributions, line charges and new investment agreements) which are discussed with large individual consumers as they consider supply upgrades or new connections to the network.

4. PRICING PRINCIPLES ASSESSMENT

The Electricity Authority has recently revised its distribution pricing principles and provided clarification of how the principles should be applied in practice.

The 2019 Distribution Pricing Principles:

- (a) Prices are to signal the economic costs of service provision, including by:
 - (i) being subsidy free (equal to or greater than avoidable costs, and less than or equal to standalone costs);
 - (ii) reflecting the impacts of network use on economic costs;
 - (iii) reflecting differences in network service provided to (or by) consumers; and
 - (iv) encouraging efficient network alternatives.
- (b) Where prices that signal economic costs would under-recover target revenues, the shortfall should be made up by prices that least distort network use.
- (c) Prices should be responsive to the requirements and circumstances of end users by allowing negotiation to:
 - (i) reflect the economic value of services; and
 - (ii) enable price/quality trade-offs.
- (d) Development of prices should be transparent and have regard to transaction costs, consumer impacts, and uptake incentives.

We have considered each of these principles in developing our line prices.

4.1 Prices are to signal the economic costs of service provision

By being subsidy-free (equal to or greater than avoidable costs, and less than or equal to standalone costs)

The PowerNet cost of supply model allocates costs to individual customers based on their geographical location and taking into account the share of the actual assets employed to supply them. The remaining group customers have the resulting costs allocated to them on an averaged basis once the individual customers' costs have been deducted from the total costs.

It is not easy to accurately establish the stand-alone costs for most customers supplied by a common service via a meshed network. However we can conclude that stand alone costs would be higher than average costs for those customers given the scale efficiencies in supplying them from a meshed network. PowerNet believes that the cost allocators used in the model are a representation of the underlying cost drivers of the business and therefore is subsidy free with regards to customers groups.

The methodology attempts to minimise cross subsidisation between the larger individual consumers and between consumer load groups. EIL applies the same pricing to residential and general customers in Invercargill and Bluff. While there may be some differences in the cost of supply, a single set of prices is considered to be the most pragmatic option given the small number of connections in Bluff - only 5% of the population in EIL's network area is in Bluff. The pricing region of EIL's network in terms of both km² and the number of connections is relatively small as compared with price regions on a number of other networks.

New connections to the network pay a capital contribution if the expected revenue from the line charge does not cover the capital recovery cost required. This ensures that new connections are not subsidised and that total revenue from the new customer is not less than the expected incremental costs.

Reflecting the impacts of network use on economic costs

EIL's pricing structure uses capacity-based load groups to ensure prices have regard to the level of service capacity and encourages the use of controlled energy consumption by having a price differential in the fixed charge for group customers. Load control can be utilised to keep charges down by: (1) minimising Transpower charges by controlling the network load during the LSI peaks; (2) managing GXP load when maximum demand reaches the capacity of that GXP; and (3) managing load on feeders during temporary arrangements to manage constraints.

The day/night energy component of charges to residential and general customers also provides a strong signal to consumers to utilise spare network capacity at night thus reducing capital investment in the network. While EIL's network currently isn't facing capacity constraints, the potential for developments such as increased uptake of electric vehicles to bring network assets closer to capacity limits (especially on LV networks) means that a forward-looking approach to having pricing structures in place and understanding/developing the responsiveness of customers to price signals before they need to be relied upon has merit.

With regard to charges for individual customers, these are determined annually through a method which incorporates allocation of a portion of charges through peak demand measures. This is because the most significant cost driver that influences investment requirements in the network is the combined peak demand of all consumers in an area. PowerNet designs and constructs its network to meet this peak load. This ensures that prices signal the impact of additional demand on future investment costs. The use of a more sophisticated charging arrangement for individual customers reflects that they typically have greater capacity to manage and respond to demand-driven charges than smaller customers.

EIL's peak times are outlined in the methodology and have encouraged individual customers to employ demand response actions such as turning on alternative generation or load shifting during these times to reduce their peak demands. Residential customers have the option to put some of their appliances on controlled tariffs to qualify for the off-peak fixed charge.

Customers are encouraged to use energy at night through the use of night store heaters, heating the hot water or using their appliances such as clothes driers, washing machines etc. during this period. The customer is then financially rewarded, as the consumption does not attract any variable line charge. The "whole house day/night tariff" can reward consumers financially through prudent management of their power requirements.

PowerNet's peak demand component of the line charge provides a large reward to customers who invest in distribution alternatives.

Reflecting differences in network service provided to (or by) consumers

Different levels of daily charges for residential and general consumers with controlled as compared with uncontrolled connections reflect that controlled load has different service availability than uncontrolled load.

For individual customers, pricing reflects that different assets are used by different customers, which could also be associated with different service levels.

Encouraging efficient network alternatives

The locational specific pricing that is incorporated into Individual Customer charges assists in providing signals on the cost of network provision in particular locations that can then be compared against network alternatives to encourage efficient decision-making by consumers. While geographic pricing isn't used by EIL for residential and general customers, the network is very compact such that there is unlikely to be significant impacts of this on decisions regarding network alternatives.

Signalling when the network is likely to be at its busiest or when capacity is available provides signals on when network alternatives can aid in meeting peak loads or in smoothing peaks through load shifting. Day/night pricing will assist with this to a degree – for example, by encouraging EV charging overnight. However, it is envisaged that TOU pricing will allow more accurate signalling of network busy times than the broad day/night periods that are currently in use. For individual customers, charges reflect demand during peak periods which would encourage efficient decision-making on customer investment in and use of network alternatives.

4.2 Where prices that signal economic costs would under-recover target revenues, the shortfall should be made up by prices that least distort network use

EIL uses capacity charges to recover costs that are not recovered through peak demand charges (Individual Customer) or Day kWh charges (Residential & General). These types of charges would have less distortionary impacts in recovering sunk costs than kWh or demand charges would, but are arguably fairer than a single fixed charge for each and every ICP. However, there are limitations on the proportion of costs that can be recovered through capacity or daily charges as a result of the Low Fixed Charge Regulations, as well as fairness considerations.

EIL also notes that while the recovery of sunk or fixed costs from variable charges will distort usage to some extent, reasonably low uptake of evolving technologies (PV, EVs) on EIL's network area for the foreseeable future (as discussed in section 2.3) likely means that there will be limited adverse consequences from variable charges.

Another interpretation of prices that least distort network use is Ramsey pricing, where those consumers with inelastic demand face higher charges as their consumption is least likely to be distorted as a result. However this principle is difficult to apply as price elasticity information is difficult to obtain and it is likely the price elasticities will be different within each load group.

4.3 Prices should be responsive to the requirements and circumstances of end users by allowing negotiation to: (i) reflect the economic value of services; and (ii) enable price/quality trade-offs

As is discussed in section **Error! Reference source not found.**, in some cases non-standard prices and contracts are appropriate. This may be the case where, for example, a customer has enhanced security arrangements. In situations where customers have significant capital contributions or new investment agreements, robust commercial contracts incorporating prudential requirements are prudent to mitigate the risk of these assets being stranded. These contracts can also assist in avoiding uneconomic by-pass of the network when negotiating commercial arrangements and encourage growth within the network. EIL's individual pricing for large customers and individual account management to industrial and large commercial customers addresses the risk of bypass by negotiating arrangements that, as closely as is practical, reflect the network costs incurred by each individual consumer.

EIL's pricing model for large individual consumers ensures that the price is cost reflective and takes into consideration a distance factor from the customer's premises to the local zone substation, thus relating their line charges to the assets used for their supply. The closer to the zone substation the lower the distribution cost component. This component also allows for the shared use of those assets.

The pricing model allows customers to own their own distribution transformers passing on the savings made by ownership.

Each zone substation has individual costs allocated to it based on the substation assets and the share of the use of the sub transmission network as determined by load flow analysis. These individual zone substation costs are allocated to the individual consumers based on their respective load profiles and share of the use of the zone substation.

The use of individual capacity and demands also ensures that the price is cost reflective. By these processes, EIL discourages uneconomic bypass of its network and allows negotiation to tailor its services to the specific needs of the consumer.

During the consultation process with consumers, particularly with the larger individual consumers, and often when they are extending or requiring a new supply, price/quality trade-offs are discussed and offered, these often in the form of offering the customer an (n-1) supply. Consumers who choose this level of supply will have the extra costs reflected in their individual line charge.

Each year PowerNet conducts a customer survey of 400 residential and commercial customers. Customers are asked if they would pay an extra \$10 per month in their line charge to reduce the number of outages they experienced each year, 82% stated no to this question.

4.4 Development of prices should be transparent and have regard to transaction costs, consumer impacts, and uptake incentives.

EIL's current price structure has been in place since 1996 and has only seen changes to tariff options in response to customer demand or legislative requirements such as the Electricity (Low Fixed Charge Tariff Option for Domestic Consumers) Regulations 2004.

Through the disclosure of the pricing methodology, the costs allocated to each consumer group are transparent. This allows stakeholders to make informed decisions between capacity based price categories.

EIL has maintained its pricing structure and differentials between peak and off-peak fixed charges and has kept night consumption free of variable charges to give stability and certainty to customers who have invested in controllable load due to the price differential and potential savings when the investment was made.

Price levels for individual consumers each year are based on the previous year's performance and projections for the current year following discussions with the consumer when required.

More efficient use of electricity by these consumers may be reflected at the time in the variable charges but will primarily be effective as the basis for calculating reduced line charges (in real terms) for the following year.

Once the line charges have been established by the methodology, the pricing structure is straight forward, limited to a fixed daily charge and variable consumption tariff for the majority of customers. PowerNet recognises that whilst the pricing structure is simple, there is a number of options with peak/off-peak options available within each capacity group. The Electricity (Low Fixed Charge Tariff Option for Domestic Consumers) Regulations 2004 requiring a low fixed charge option for each residential tariff has also greatly increased the number of options.

The issue is a compromise between simplicity and equitability of pricing. Three parameters influence the cost, the location of the premises to be supplied (governs the assets used), the load to be supplied (governs the size of assets used) and the time the load is supplied (governs the diversity and hence size and share of the assets used).

EIL's line charge methodology has endeavoured to incorporate these aspects and then apply in the most equitable but simple way practicable.

EIL uses "GXP billing" for its residential & general connections, which saves on administration costs, and ultimately should result in lower costs and prices.

EIL also recognises that "ICP pricing and billing" can potentially send stronger price signals to consumers but does constrain tariff innovation by the retailers. The alternative is for a further breakdown of the GXP energy volumes into "peak" and "shoulder" rates or "congestion" and "non congestion" periods, which would be differentially charged to the retailers. This would sharpen the signal to the retailers and end use consumers and is currently being contemplated in a potential move to TOU pricing.

With regard to uptake incentives, because pricing is at a GXP level for residential and general customers, EIL's pricing structure (eg, Day/Night) is necessarily applied for all customers at a wholesale level. Whether EIL's pricing structure is passed on to end consumers or repackaged is a decision made by retailers.

EIL's pricing from 1 April 2020 does not incorporate structural changes and as a result, consumer impacts of the change in price levels are likely to be predictable. However, if EIL implements a significant change in pricing structures, such as TOU implementation or follows a government-led LFC transition, we would anticipate that consumer impact analysis would be much more relevant.

5. REVENUE REQUIREMENT

5.1 Revenue Requirement for the Year Ended 31 March 2021

The following table lists the revenue allowances as per the Commerce Commission's Electricity Distribution Services Default Price-Quality Path Determination 2020.

The Determination is based on a variety of Input Methodologies that determines the inputs into the calculation of the Weighted Average Cost of Capital (WACC) used in the Commerce Commissions price reset calculations.

The inputs have concernedly resulted in lower price reset outcomes. The inputs include out of date market risk premiums and narrow time bands for calculations of interest costs used in the WACC calculation and in the reset calculation non-independent use of inflation assumptions from parties with vested interests in a mid-range inflation outcome.

Allowable Revenue is calculated based on various building block inputs including network operating expenditure (opex), non-network opex, a return of capital employed (depreciation), a return on capital employed (based on asset values and the WACC) and regulatory tax.

The use of inputs that are more current and independent results in a higher Allowable Revenue outcome than that calculated by the Commerce Commission as outlined in the table below.

| Forecast allowable revenue RY21 (\$000) | |
|---|--------|
| Forecast net allowable revenue | 12,258 |
| Forecast pass through costs | 235 |
| Forecast recoverable costs | 6,782 |
| Opening wash-up account balance | - |
| Pass-through balance allowance | 194 |
| Total | 19,468 |

Pass-through costs are made up of:

| Forecast Pass-through Costs RY21 (\$000) | |
|--|-----|
| Rates on system fixed assets | 128 |
| Commerce Act levies | 44 |
| Electricity Authority levies | 54 |
| Utilities Disputes levies | 9 |
| Total forecast pass-through costs | 235 |

Recoverable costs are made up of:

| Forecast Recoverable Costs RY21 (\$000) | |
|---|--------------|
| IRIS incentive adjustment | 973 |
| Transpower transmission charges | 5,304 |
| New investment contract charges | 347 |
| Quality incentive adjustment | 137 |
| Fire and emergency NZ levies | 20 |
| Innovation project allowance | - |
| Total forecast recoverable costs | 6,782 |

6. METHOD FOR COST ALLOCATION

6.1 Allocations

EIL uses a cost of supply model which uses a number of key inputs or cost drivers which can be determined and appropriately allocated between the relevant consumers and consumer groups.

The key cost drivers used within this model are:

- Transmission Grid Asset Management costs (Connection and Interconnection costs)
- Sub transmission network costs split into a “supply” component and a “maintenance” component – 66,000 and 33,000V line and cables and 4 zone substations.
- Distribution network costs split into a “supply” component and a “maintenance” component - 11,000, 400V networks and distribution Substations.
- Overhead non asset related direct costs.
- Ownership costs comprising depreciation return on investment and other costs of ownership.
- Pass Through Costs

Each consumer or consumer groups’ share of the use of the above assets and costs are then calculated to reflect their respective use. The objective is to reflect the share of the costs in a robust and equitable manner and the line charges be structured so that the network investment and line charges are responsive to the consumer and consumer groups’ behaviour or pattern of usage.

6.2 Customer Profiles

The derivation of the line charges is based on seven consumer profile parameters. They are:

- The Contract Capacity kVA (kW) of the installation
- The Winter Peak demand kVA (kW) (0700-1100 hours and 1700-2100 hours, each weekday between June and August inclusive)
- The Winter Peak energy MWh (0700-1100 hours and 1700-2100 hours, each weekday between May and September inclusive)
- The Winter Day energy MWh (0700-2300 hours, May to September inclusive)
- The Summer Day energy MWh (0700-2300 hours, October to April inclusive)
- The Total energy for the 12 month period MWh.

- Coincident Peak demand with Transpower's 100 highest peaks for the lower South Island (kVA), half hour metered customers only

6.3 Transpower and Subtransmission costs

The basis of allocation of Transpower and subtransmission costs is on the after diversity maximum demand for each customer during the periods of network maximum demand. Similarly the allocation of the distribution costs is on an after diversity distribution capacity of the customer's installation.

The PowerNet methodology takes into account the duration that the customer impacts on the peak loading hours of the network. This is achieved by allocating some of the Transmission, subtransmission and distribution costs based on the Winter Peak energy and the Winter Day energy.

This in effect reduces the charges for a customer who incurs just one half hour peak for the whole winter or is only impacting on the peak hours for part of the winter and increases the charges for those customers who are impacting regularly on the peak periods during the whole winter.

It has the effect of integrating the peak demand over a longer period.

6.4 Winter Peak

The Winter Peak demands for the various customers and customer groups have a diversity factor applied to them, which reflects to some extent their impact on the total after diversity maximum demand on the network. These diversity factors, based on their peak demands, are as follows:

Up to 21kVA = 17%

Between 21kVA and 110kVA = ramp function from 17% - 37.5%

Between 110kVA and 2,000kVA = ramp function from 37.5% - 75%

Above 2000kVA = 75%.

These diversity factors reflect the increased diversity of a large number of smaller customers compared to less diversity for the larger customers.

6.5 Contract Capacities

Similarly diversity factors are applied to the contract capacities of the various customers. These diversity factors are as follows:

- For connections up to 16kVA = 25%
- For connections between 16kVA and 100kVA = ramp function from 25% - 33%
- For connections between 101kVA and 2,000kVA = ramp function from 33% - 70%
- For connections above 2,000kVA = 70%.

These diversities reflect the differing impacts of the different sized customers on the local capacity of the reticulation system. There is an increased diversity between the smaller customers than with the large customers with respect to the capital investment in the local distribution network.

6.6 Subtransmission and Distribution split

The costs of the subtransmission and distribution components of the line charges are split into two categories:

6.6.1 Supply

The “supply” part is based on the depreciation of the network assets, other ownership costs and required return on the assets, the latter using the companies weighted average cost of capital.

6.6.2 Maintenance

The “maintenance” part is based on the Maintenance Works Program for the current year.

Management costs for capital and maintenance work are allocated to Supply and Maintenance respectively.

The profile parameters for determining the line charges for the individual customers, grouped by capacity are:

| Contract Capacity kVA | Number of Connections | Coincident | | Total Energy Reading MWh | Peak Reading MWh | Winter Day Reading MWh | Summer Day Reading MWh |
|--------------------------|--------------------------|----------------------------------|----------------------------------|--------------------------------|------------------------|---------------------------------|---------------------------------|
| | | Peak Demand Reading kVA | Peak Demand Reading kVA | | | | |
| 30 | 2 | 23 | 37 | 108 | 15 | 36 | 44 |
| 50 | 6 | 47 | 203 | 553 | 66 | 163 | 207 |
| 75 | 11 | 173 | 618 | 1,415 | 211 | 548 | 572 |
| 100 | 13 | 298 | 788 | 1,920 | 272 | 692 | 762 |
| 150 | 40 | 749 | 3,560 | 7,034 | 1,010 | 2,521 | 2,865 |
| 200 | 39 | 1,352 | 4,029 | 10,277 | 1,379 | 3,550 | 4,203 |
| 300 | 29 | 1,891 | 4,316 | 11,855 | 1,566 | 4,030 | 4,839 |
| 500 | 25 | 3,749 | 7,002 | 22,297 | 2,892 | 7,389 | 8,913 |
| 750 | 8 | 1,051 | 1,747 | 7,426 | 884 | 2,289 | 2,942 |
| 1000 | 3 | 653 | 1,501 | 3,915 | 478 | 1,170 | 1,386 |
| 1250 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1750 | 1 | 867 | 1,373 | 7,134 | 729 | 1,992 | 2,852 |

The profile parameters for determining the line charges for the Residential & General customers are:

| Consumer Capacity | Code | Number of Connections | After Diversity Peak Demand kW | Total Energy Group MWh | Winter Peak Group MWh | Winter Day Group MWh | Summer Day Group MWh |
|--|--------|-----------------------|--------------------------------|------------------------|-----------------------|----------------------|----------------------|
| Residential | | | | | | | |
| Residential (8kVA 1 Phase) - All Peak * | ND08P | 35 | 51 | 211 | 38 | 84 | 75 |
| Residential (8kVA 1 Phase) - With Off Peak * | ND08Q | 88 | 108 | 531 | 71 | 189 | 186 |
| Standard Residential (15kVA 1 Phase) - All Peak | ND20P | 1,114 | 3,217 | 13,440 | 2,398 | 5,327 | 4,805 |
| Standard Residential (15kVA 1 Phase) - With Off Peak | ND20Q | 7,459 | 18,309 | 89,991 | 12,040 | 32,102 | 31,531 |
| Residential Low User (15kVA 1 Phase) - All Peak | NDL20P | 764 | 2,206 | 4,612 | 823 | 1,828 | 1,649 |
| Residential Low User (15kVA 1 Phase) - With Off Peak | NDL20Q | 5,382 | 13,211 | 32,273 | 4,318 | 11,513 | 11,308 |
| Residential Low User (8kVA 1 Phase) - All Peak* | NDL08P | 22 | 32 | 118 | 21 | 47 | 42 |
| Residential Low User (8kVA 1 Phase) - With Off Peak* | NDL08Q | 104 | 128 | 558 | 75 | 199 | 195 |
| General Single Phase | | | | | | | |
| Street Lights (1 Phase) per street light | NS001L | 5,082 | 610 | 1,998 | 356 | 792 | 714 |
| 1 kVA 1 Phase - All Peak | NS001P | 48 | 48 | 472 | 84 | 187 | 169 |
| 8 kVA 1 Phase - All Peak | NS008P | 167 | 241 | 1,007 | 180 | 399 | 360 |
| 8 kVA 1 Phase - With Off Peak | NS008Q | 9 | 11 | 54 | 7 | 19 | 19 |

| Consumer Capacity | Code | Number of Connections | After Diversity Peak Demand kW | Total Energy Group MWh | Winter Peak Group MWh | Winter Day Group MWh | Summer Day Group MWh |
|---------------------------------|--------|-----------------------|--------------------------------|------------------------|-----------------------|----------------------|----------------------|
| 15 kVA 1 Phase - All Peak | NS020P | 283 | 817 | 3,414 | 609 | 1,353 | 1,221 |
| 15 kVA 1 Phase - With Off Peak | NS020Q | 87 | 214 | 1,050 | 140 | 374 | 368 |
| General Three Phase | | | | | | | |
| 15 kVA 3 Phase - All Peak | NT015P | 66 | 179 | 747 | 133 | 296 | 267 |
| 15 kVA 3 Phase - With Off Peak | NT015Q | 9 | 21 | 102 | 14 | 36 | 36 |
| 30 kVA 3 Phase - All Peak | NT030P | 550 | 3,381 | 10,046 | 1,792 | 3,982 | 3,592 |
| 30 kVA 3 Phase - With Off Peak | NT030Q | 118 | 617 | 2,155 | 288 | 769 | 755 |
| 50 kVA 3 Phase - All Peak | NT050P | 320 | 4,062 | 15,083 | 2,691 | 5,978 | 5,393 |
| 50 kVA 3 Phase - With Off Peak | NT050Q | 67 | 723 | 3,158 | 423 | 1,127 | 1,107 |
| 75 kVA 3 Phase - All Peak | NT075P | 117 | 2,764 | 8,212 | 1,465 | 3,255 | 2,936 |
| 75 kVA 3 Phase - With Off Peak | NT075Q | 15 | 301 | 1,053 | 141 | 376 | 369 |
| 100 kVA 3 Phase - All Peak | NT100P | 65 | 2,445 | 7,263 | 1,296 | 2,879 | 2,597 |
| 100 kVA 3 Phase - With Off Peak | NT100Q | 7 | 224 | 782 | 105 | 279 | 274 |

7. COST ALLOCATIONS TO CAPACITY GROUPS

This section describes the cost allocations to each capacity group and individual customers using the methodology described above.

7.1 Transmission Charges

Transmission charges reflect the Transpower grid asset management costs incurred by Electricity Invercargill Limited based on the Invercargill point of supply.

Transpower transmission charges have two components:

- (a) Connection charge
- (b) Interconnection charge

7.1.1 Connection Charge

The Transpower connection charge is based on the Transpower local assets utilised to provide the supply.

In the case of the Invercargill point of supply the connection charge is split between The Power Company Limited and Electricity Invercargill Limited, each network is connected to the transmission grid there.

The total connection charge for Invercargill is \$941,715. Electricity Invercargill's share of the connection charge is \$611,831.

The connection charges which include the Transpower new investment charges are applied to customers on the basis of the following allocation:

| | |
|--------------------|-----|
| Winter Peak Demand | 70% |
| Winter Peak Energy | 20% |
| Winter Day Energy | 10% |

For individual customers this equates to:

\$6.75 per kVA Peak Demand.

\$3.09 per Winter Peak MWh.

\$1.03 per Winter Day MWh

After the revenue from the individual customers has been subtracted from the total the remaining residential & group customer charges are as follows:

- \$6.49 per kVA Peak Demand
- \$3.39 per Winter Peak MWh
- \$1.14 per Winter Day MWh

The difference in the two sets of rates above reflects the difference in losses and diversity factors between the large individual customers and the smaller customer groups.

7.1.2 Interconnection Charge

This charge is based on the average of the coincident 100 highest peak demands recorded for Transpower’s lower South Island region during the assessment period 1 September to 31 August each year at the Invercargill grid exit point.

Electricity Invercargill’s share of the Invercargill interconnection charge of \$7,993,696 is \$5,039,174

The interconnection charges are applied to customers on the basis of the following allocation:

Half Hour Metered:

Coincident peak with lower south island region 100%

Non Half Hour Metered:

Winter Peak Demand 60%

Winter Peak Energy 30%

Winter Day Energy 10%

For individual non half hour metered customers this equates to the following charges:

\$47.64 per kVA Winter Peak Demand.

\$38.23 per Winter Peak MWh.

\$8.46 per Winter Day MWh.

For individual Half Hour Metered customers this equates to the following charges:

| Point of Supply | Per kVA Coincident Peak Demand |
|-----------------|--------------------------------|
| Invercargill | \$98.39 |

After the revenue from the individual customers has been subtracted from the total the remaining group customer charges are as follows:

| | Per kVA Peak Demand | Per Winter Peak MWh | Per Winter Day MWh |
|--------------------------|---------------------|---------------------|--------------------|
| Electricity Invercargill | \$42.70 | \$39.02 | \$8.74 |

The differences in the above rates reflect the differences in losses and diversity factors between the large individual customers and the small customer groups.

7.1.3 Transpower Revenue for Individual Customers

The total Transpower revenue for individual customers grouped by capacity is shown in the following table:

| Consumer Capacity kVA | Number of Connections | Transpower | |
|--------------------------|--------------------------|----------------------------------|---------------------------|
| | | Revenue per Consumer Group | Average Line Charge |
| 15 | 0 | \$0.00 | \$0.00 |
| 30 | 2 | \$2,417.38 | \$1,208.69 |
| 50 | 6 | \$7,802.10 | \$1,300.35 |
| 75 | 11 | \$25,571.85 | \$2,324.71 |
| 100 | 13 | \$37,105.20 | \$2,854.25 |
| 150 | 39 | \$136,486.21 | \$3,499.65 |
| 200 | 39 | \$191,316.43 | \$4,905.55 |
| 300 | 29 | \$226,309.97 | \$7,803.79 |
| 500 | 25 | \$403,115.26 | \$16,124.61 |
| 750 | 7 | \$81,092.17 | \$11,584.60 |
| 1000 | 2 | \$54,172.23 | \$27,086.12 |
| 1750 | 1 | \$94,885.58 | \$94,885.58 |

7.1.4 Transpower Revenue for Residential & General Customers

The total Transpower revenue for residential & general customers is shown in the following table.

| Consumer Capacity | Code | Number of Connections | Transpower Charge | Transpower Revenue per Consumer Group |
|--|--------|-----------------------|-------------------|---------------------------------------|
| Residential | | | | |
| Residential (8kVA 1 Phase) - All Peak * | ND08P | 35 | \$129.66 | \$4,537.96 |
| Residential (8kVA 1 Phase) - With Off Peak * | ND08Q | 88 | \$107.89 | \$9,494.27 |
| Standard Residential (15kVA 1 Phase) - All Peak | ND20P | 1114 | \$259.31 | \$288,873.28 |
| Standard Residential (15kVA 1 Phase) - With Off Peak | ND20Q | 7459 | \$215.78 | \$1,609,494.70 |
| Residential Low User (15kVA 1 Phase) - All Peak | NDL20P | 764 | \$200.16 | \$153,354.02 |
| Residential Low User (15kVA 1 Phase) - With Off Peak | NDL20Q | 5382 | \$167.84 | \$904,075.51 |
| Residential Low User (8kVA 1 Phase) - All Peak* | NDL08P | 22 | \$123.14 | \$2,709.12 |
| Residential Low User (8kVA 1 Phase) - With Off Peak* | NDL08Q | 104 | \$102.61 | \$10,671.44 |
| General Single Phase | | | | |
| Street Lights (1 Phase) per street light | NS001L | 5082 | \$9.72 | \$49,421.03 |
| 1 kVA 1 Phase - All Peak | NS001P | 48 | \$144.73 | \$6,947.13 |

| Consumer Capacity | Code | Number of Connections | Transpower Charge | Transpower Revenue per Consumer Group |
|--|--------|-----------------------|-------------------|---------------------------------------|
| 8 kVA 1 Phase - All Peak | NS008P | 167 | \$129.66 | \$21,652.53 |
| 8 kVA 1 Phase - With Off Peak | NS008Q | 9 | \$107.89 | \$971.00 |
| 15 kVA 1 Phase - All Peak | NS020P | 283 | \$259.31 | \$73,385.22 |
| 15 kVA 1 Phase - With Off Peak | NS020Q | 87 | \$215.78 | \$18,772.76 |
| | | | | |
| General Three Phase | | | | |
| 15 kVA 3 Phase - All Peak | NT015P | 66 | \$243.10 | \$16,044.91 |
| 15 kVA 3 Phase - With Off Peak | NT015Q | 9 | \$202.29 | \$1,820.63 |
| 30 kVA 3 Phase - All Peak | NT030P | 550 | \$479.97 | \$263,982.93 |
| 30 kVA 3 Phase - With Off Peak | NT030Q | 118 | \$400.95 | \$47,312.64 |
| 50 kVA 3 Phase - All Peak | NT050P | 320 | \$1,082.48 | \$346,392.11 |
| 50 kVA 3 Phase - With Off Peak | NT050Q | 67 | \$901.99 | \$60,433.42 |
| 75 kVA 3 Phase - All Peak | NT075P | 117 | \$1,844.23 | \$215,775.45 |
| 75 kVA 3 Phase - With Off Peak | NT075Q | 15 | \$1,540.63 | \$23,109.44 |
| 100 kVA 3 Phase - All Peak | NT100P | 65 | \$2,936.25 | \$190,856.11 |
| 100 kVA 3 Phase - With Off Peak | NT100Q | 7 | \$2,452.87 | \$17,170.10 |
| | | | | |

7.2 Subtransmission Charges

Subtransmission charges are based on the subtransmission costs (66kV and 33kV network) and the zone substation costs.

There are two components making up the subtransmission charges:

- (a) Supply charge
- (b) Maintenance charge

7.2.1 Supply Charge

The supply charge is based on the required return on the assets by the shareholder and depreciation.

All the costs of the subtransmission network and zone substations are averaged and allocated on the basis of the relative asset value compared to the total network asset value.

The supply charge for the EIL city area zone substations is \$1,033,552 and for the 33kV line and cables is \$469,796 giving a total supply charge for EIL City of \$1,503,348

As EIL also supplies power to Bluff through The Power Company Limited 33kV line and Bluff zone substation there is a supply charge of \$440,168 for this zone substation and subtransmission lines.

The supply charge totalling \$1,503,348 for EIL City and \$440,168 for EIL Bluff is allocated across all customers on the following basis:

| | |
|--------------------|-----|
| Winter Peak Demand | 70% |
| Winter Peak energy | 20% |
| Winter Day energy | 10% |

7.2.2 Maintenance Charge

The maintenance charges for the EIL city zone substations and subtransmission system total \$342,721 and for EIL Bluff total \$94,107

The total subtransmission maintenance charges of \$436,828 are allocated across the customers on the following basis:

| | |
|--------------------|-----|
| Total Energy | 50% |
| Winter Peak Demand | 50% |

7.2.3 Subtransmission Charges for Individual Customers above 100 kVA

EIL City

| | | |
|-----|------------------------------------|------------------------------------|
| (a) | Subtransmission Supply charge | \$17.59 per kVA Winter Peak Demand |
| (b) | Subtransmission Supply charge | \$8.16 per Winter Peak MWh |
| (c) | Subtransmission Supply charge | \$2.72 per Winter Day MWh |
| (e) | Subtransmission Maintenance charge | \$0.70 per Commercial Total MWh |
| (f) | Subtransmission Maintenance charge | \$2.86 per kVA Winter Peak Demand |

EIL Bluff

| | | |
|-----|------------------------------------|------------------------------------|
| (a) | Subtransmission Supply charge | \$76.62 per kVA Winter Peak Demand |
| (b) | Subtransmission Supply charge | \$29.45 per Winter Peak MWh |
| (c) | Subtransmission Supply charge | \$8.31 per Winter Day MWh |
| (e) | Subtransmission Maintenance charge | \$2.05 per Commercial Total MWh |
| (f) | Subtransmission Maintenance charge | \$13.52 per kVA Winter Peak Demand |

7.2.4 Subtransmission Charges for Residential & General Customers

After the revenue from the individual customers has been subtracted from the total the remaining residential & General customer charges are as follows:

EIL City

| | | |
|-----|------------------------------------|------------------------------------|
| (a) | Subtransmission Supply charge | \$16.92 per kVA Winter Peak Demand |
| (b) | Subtransmission Supply charge | \$8.89 per Winter Peak MWh |
| (c) | Subtransmission Supply charge | \$2.98 per Winter Day MWh |
| (d) | Subtransmission Maintenance charge | \$0.70 per Residential Total MWh |
| (e) | Subtransmission Maintenance charge | \$0.70 per Commercial Total MWh |
| (f) | Subtransmission Maintenance charge | \$2.67 per kVA Winter Peak Demand |

EIL Bluff

| | | |
|-----|------------------------------------|------------------------------------|
| (a) | Subtransmission Supply charge | \$90.44 per kVA Winter Peak Demand |
| (b) | Subtransmission Supply charge | \$37.09 per Winter Peak MWh |
| (c) | Subtransmission Supply charge | \$12.32 per Winter Day MWh |
| (d) | Subtransmission Maintenance charge | \$2.86 per Residential Total MWh |
| (e) | Subtransmission Maintenance charge | \$2.86 per Commercial Total MWh |
| (f) | Subtransmission Maintenance charge | \$11.51 per kVA Winter Peak Demand |

7.3 Distribution Charges

Distribution charges are based on the distribution costs which include 11,000 and 400V line and cables and distribution substations and transformers.

There are three components making up the distribution charges

- (a) Supply charge
 - (b) Maintenance charge
 - (c) Transformer charge

In calculating the distribution charges an allowance is made for the fact that customers above 150kVA have normally less use of the 400V network than smaller customers, i.e. they often have their own local transformer or exclusive supply cables from a transformer. The distribution charges are multiplied by a factor of 60% for both EIL City and EIL Bluff.

7.3.1 Supply Charge

The supply charge is based on the required return on the assets by the shareholder and depreciation.

All the costs of the distribution network are averaged and the supply charge is allocated on the basis of the relative asset value compared to the total network asset value.

The supply charges are as follows:

- (a) Overhead lines, Underground Cables & Distribution Substations

| | |
|-----------|-------------|
| EIL City | \$6,765,065 |
| EIL Bluff | \$281,878 |

- (b) The supply charge is allocated across all customers on the following basis:

| | |
|--------------------|-----|
| Contract Capacity | 70% |
| Winter Peak Energy | 20% |
| Winter Day Energy | 10% |

7.3.2 Maintenance Charge

The maintenance charges are as follows:

- (a) Overhead lines, Underground Cables & Distribution Substations

| | |
|-----------|-------------|
| EIL City | \$1,028,164 |
| EIL Bluff | \$162,342 |

- (b) The maintenance portion is allocated across all customers on the following basis:

| | |
|-------------------|-----|
| Total Energy | 50% |
| Contract Capacity | 50% |

7.3.3 Distribution Transformers

The transformer charges are as follows:

| | |
|-----------------|-----------|
| EIL Supply | \$845,633 |
| EIL Maintenance | \$270,570 |

The transformer portion of the distribution charges is allocated across consumers on the following basis:

| | |
|---|-------|
| Number of transformers and transformer capacity | 100%. |
|---|-------|

7.3.4 Distribution Charges for Individual Customers

EIL City

| | | |
|-----|---------------------------------|-----------------------------------|
| (a) | Distribution Supply charge | \$36.71 per kVA Contract Capacity |
| (b) | Distribution Supply charge | \$36.71 per Winter Peak MWh |
| (c) | Distribution Supply charge | \$7.34 per Winter Day MWh |
| (d) | Distribution Maintenance charge | \$2.10 per Commercial Total MWh |
| (e) | Distribution Maintenance charge | \$3.99 per kVA Contract Capacity |

EIL Bluff

- (a) Distribution Supply charge \$21.92 per kVA Contract Capacity
- (b) Distribution Supply charge \$20.97 per Winter Peak MWh
- (c) Distribution Supply charge \$4.05 per Winter Day MWh
- (d) Distribution Maintenance charge \$3.39 per Commercial Total MWh
- (e) Distribution Maintenance charge \$9.02 per kVA Contract Capacity

Transformer Charges

- (a) Distribution Transformer supply charge \$347.19 per Transformer
- (b) Distribution Transformer maintenance charge \$613.54 per Transformer

The Transformer charge of \$347.19 per transformer is multiplied by a price ratio depending on the size of the transformer. The ratios for the different sized transformers are shown below.

| Transformer Size | Ratio applied |
|----------------------|---------------|
| 15kVA Transformer | 1.00 |
| 30kVA Transformer | 1.44 |
| 50kVA Transformer | 1.88 |
| 75kVA Transformer | 2.30 |
| 100kVA Transformer | 3.00 |
| 150kVA Transformer | 4.04 |
| 200kVA Transformer | 4.60 |
| 300kVA Transformer | 5.32 |
| 500kVA Transformer | 7.40 |
| 750kVA Transformer | 8.80 |
| 1,000kVA Transformer | 9.96 |
| 1,250kVA Transformer | 13.20 |
| 1,500kVA Transformer | 15.60 |

7.3.5 *Distribution Charges for Residential & General Customers*

After the revenue from the individual customers has been subtracted from the total the remaining residential & general customer charges are as follows:

EIL City

| | | |
|-----|---------------------------------|-----------------------------------|
| (a) | Distribution Supply charge | \$38.19 per kVA Contract Capacity |
| (b) | Distribution Supply charge | \$43.45 per Winter Peak MWh |
| (c) | Distribution Supply charge | \$14.60 per Winter Day MWh |
| (d) | Distribution Maintenance charge | \$2.39 per Residential Total MWh |
| (e) | Distribution Maintenance charge | \$2.39 per Commercial Total MWh |
| (f) | Distribution Maintenance charge | \$4.03 per kVA Contract Capacity |
| (g) | Distribution Transformer charge | \$6.19 per kVA Contract Capacity |

EIL Bluff

| | | |
|-----|---------------------------------|-----------------------------------|
| (a) | Distribution Supply charge | \$26.91 per kVA Contract Capacity |
| (b) | Distribution Supply charge | \$28.57 per Winter Peak MWh |
| (c) | Distribution Supply charge | \$9.74 per Winter Day MWh |
| (d) | Distribution Maintenance charge | \$5.89 per Residential Total MWh |
| (e) | Distribution Maintenance charge | \$5.89 per Commercial Total MWh |
| (f) | Distribution Maintenance charge | \$10.51 per kVA Contract Capacity |
| (g) | Distribution Transformer charge | \$6.19 per kVA Contract Capacity |

The model applies a 2.5% discount for the residential & single phase general customers compared to three phase general customers of similar size. This is to reflect the reduced investment in network assets for single phase customers.

7.4 Non asset related Overheads

The overhead charges are based on those costs which cannot be allocated directly to either capital or maintenance.

These costs include the following:

- (a) Executive Management
- (b) Directors Fees
- (c) System Control
- (d) Miscellaneous overheads, e.g. buildings, etc.

These charges are split equally over the total customer base.

The total overhead costs are \$1,654,675

The charge per customer is \$96.91

7.5 PowerNet Charges

7.5.1 PowerNet Revenue for Individual Customers

The total PowerNet revenue for individual customers grouped by capacity is shown in the following table.

| Consumer Capacity kVA | Subtransmission Charge | Distribution Charge | Overhead Charge | Total EIL Charge |
|--------------------------|---------------------------|------------------------|--------------------|------------------------|
| 15 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 30 | \$372.58 | \$2,058.09 | \$193.81 | \$2,624.48 |
| 50 | \$1,922.50 | \$9,998.48 | \$581.44 | \$12,502.41 |
| 75 | \$6,433.28 | \$29,512.59 | \$1,065.97 | \$37,011.84 |
| 100 | \$9,792.40 | \$31,858.92 | \$1,259.78 | \$42,911.10 |
| 150 | \$58,048.36 | \$140,478.43 | \$3,876.25 | \$202,403.04 |
| 200 | \$63,226.84 | \$190,176.03 | \$3,779.35 | \$257,182.22 |
| 300 | \$58,986.84 | \$202,348.81 | \$2,810.28 | \$264,145.94 |
| 500 | \$132,984.15 | \$311,512.81 | \$2,422.66 | \$446,919.61 |
| 750 | \$28,567.96 | \$139,710.63 | \$775.25 | \$169,053.84 |
| 1000 | \$16,902.42 | \$78,608.35 | \$290.72 | \$95,801.49 |
| 1250 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 1750 | \$114,083.04 | \$51,246.18 | \$96.91 | \$165,426.12 |

7.5.2 PowerNet Revenue for Residential & General Customers

The total PowerNet revenue for residential & general customers is shown in the following table.

| Consumer Capacity | Code | Number of Connections | Sub-transmission Charge | Distribution Charge | Overheads | Total EIL Revenue |
|--|--------|-----------------------|-------------------------|---------------------|-----------|-------------------|
| Residential | | | | | | |
| Residential (8kVA 1 Phase) - All Peak * | ND08P | 35 | \$1,919 | \$7,613 | \$3,392 | \$12,924 |
| Residential (8kVA 1 Phase) - With Off Peak * | ND08Q | 88 | \$3,799 | \$16,385 | \$8,528 | \$28,711 |
| Standard Residential (15kVA 1 Phase) - All Peak | ND20P | 1,114 | \$113,992 | \$485,464 | \$107,954 | \$707,409 |
| Standard Residential (15kVA 1 Phase) - With Off Peak | ND20Q | 7,459 | \$633,706 | \$2,778,356 | \$722,824 | \$4,134,885 |
| Residential Low User (15kVA 1 Phase) - All Peak | NDL20P | 764 | \$67,613 | \$277,129 | \$74,036 | \$418,778 |
| Residential Low User (15kVA 1 Phase) - With Off Peak | NDL20Q | 5,382 | \$338,515 | \$1,669,311 | \$521,550 | \$2,529,376 |
| Residential Low User (8kVA 1 Phase) - All Peak* | NDL08P | 22 | \$2,519 | \$4,465 | \$2,132 | \$9,116 |
| Residential Low User (8kVA 1 Phase) - With Off Peak* | NDL08Q | 104 | \$8,262 | \$18,316 | \$10,078 | \$36,657 |
| General Single Phase | | | | | | |
| Street Lights (1 Phase) per street light | NS001L | 5,082 | \$20,714 | \$90,218 | \$194 | \$111,126 |
| 1 kVA 1 Phase - All Peak | NS001P | 48 | \$2,406 | \$7,767 | \$4,652 | \$14,825 |
| 8 kVA 1 Phase - All Peak | NS008P | 167 | \$8,337 | \$36,409 | \$16,183 | \$60,929 |
| 8 kVA 1 Phase - With Off Peak | NS008Q | 9 | \$321 | \$1,681 | \$872 | \$2,874 |

| Consumer Capacity | Code | Number of Connections | Sub-transmission Charge | Distribution Charge | Overheads | Total EIL Revenue |
|--|--------|-----------------------|-------------------------|---------------------|-----------|-------------------|
| 15 kVA 1 Phase - All Peak | NS020P | 283 | \$31,887 | \$123,027 | \$27,424 | \$182,338 |
| 15 kVA 1 Phase - With Off Peak | NS020Q | 87 | \$6,471 | \$32,477 | \$8,431 | \$47,379 |
| General Three Phase | | | | | | |
| 15 kVA 3 Phase - All Peak | NT015P | 66 | \$6,306 | \$26,967 | \$6,396 | \$39,669 |
| 15 kVA 3 Phase - With Off Peak | NT015Q | 9 | \$849 | \$3,133 | \$872 | \$4,854 |
| 30 kVA 3 Phase - All Peak | NT030P | 550 | \$105,160 | \$432,772 | \$53,298 | \$591,231 |
| 30 kVA 3 Phase - With Off Peak | NT030Q | 118 | \$18,969 | \$79,274 | \$11,435 | \$109,678 |
| 50 kVA 3 Phase - All Peak | NT050P | 320 | \$130,355 | \$507,620 | \$31,010 | \$668,985 |
| 50 kVA 3 Phase - With Off Peak | NT050Q | 67 | \$24,576 | \$90,721 | \$6,493 | \$121,789 |
| 75 kVA 3 Phase - All Peak | NT075P | 117 | \$86,892 | \$293,299 | \$11,338 | \$391,529 |
| 75 kVA 3 Phase - With Off Peak | NT075Q | 15 | \$9,732 | \$32,111 | \$1,454 | \$43,297 |
| 100 kVA 3 Phase - All Peak | NT100P | 65 | \$69,919 | \$188,660 | \$6,299 | \$264,878 |
| 100 kVA 3 Phase - With Off Peak | NT100Q | 7 | \$8,900 | \$17,313 | \$678 | \$26,892 |

7.6 Pass-Through Costs

Pass-through costs are costs relating to rates on network fixed assets charged to EIL by local authorities and industry levies imposed by the Commerce Act, the Electricity Authority and the Utilities Disputes. Deducted or added from the estimated pass-through costs is the pass-through balance, which is the difference in the 2019 -20 year estimated pass-through costs and the Forecast 2019 -20 pass-through costs

The total estimated Pass-through costs for 2020 -21 are \$482,419

Pass-through costs are recovered by \$25.09 per ICP

7.6.1 Recoverable costs

Recoverable costs (excluding transmission costs) recover 3 components

- Quality Incentive Scheme – an adjustment either positive or negative is allocated to EIL based on the previous years' performance against the networks target SAIDs and SAIFIs, for the 2020 -21 year this adjustment is \$137,402.
- IRIS incentive adjustment – an additional recoverable cost has been allocated to OJV due to the amount of opex and capex completed over the previous regulatory control period. For the 2020-21 year OJV will under recover \$973,300.
- Fire Emergency New Zealand is a new recoverable cost introduced by the Commission to allow future increases and decreases to be shared with customers. For the 2020 -21 year the allowance is \$19,969.

The total recoverable costs amounts to \$1,130,671, this is allocated to the customer groups on the same methodology basis as the supply costs of the sub-transmission and distribution costs outlined in section 7.2.1 & 7.3.1 above

7.7 Loss Constraint Excess Payment

Loss Constraint Excess Payments are credits rebated by Transpower as a result of money received from the Clearing Manager for the Wholesale Electricity Market and are excluded from the Transmission Charges. The payments are allocated each month to the retailers on the basis of total energy consumption for the month in which the rebate applied.

7.7.1 Line Charge Revenue for Individual Customers

The line charge revenue for individual customers grouped by capacity is shown in the following table.

| Consumer Capacity kVA | Number of Connections | Line Charge Revenue per Consumer Group | Average Line Charge |
|-----------------------|-----------------------|--|---------------------|
| 15 | 0 | \$0.00 | \$0.00 |
| 30 | 2 | \$5,351.24 | \$2,675.62 |
| 50 | 6 | \$21,726.23 | \$3,621.04 |
| 75 | 11 | \$66,692.72 | \$6,062.97 |
| 100 | 13 | \$84,783.90 | \$6,521.84 |
| 150 | 40 | \$367,319.95 | \$9,183.00 |
| 200 | 39 | \$476,498.45 | \$12,217.91 |
| 300 | 29 | \$519,050.70 | \$17,898.30 |
| 500 | 25 | \$898,060.47 | \$35,922.42 |
| 750 | 8 | \$299,826.79 | \$37,478.35 |
| 1000 | 3 | \$175,889.12 | \$58,629.71 |
| 1750 | 1 | \$277,966.45 | \$277,966.45 |

7.7.2 Line Charge Revenue for Residential & General Customers

The line charge revenue for residential & general customers is shown in the following table.

| Consumer Capacity | Code | Number of Connections | Fixed Charge per Day | Variable Charge per Day | Line Charge Revenue per Consumer Group |
|--|--------|-----------------------|----------------------|-------------------------|--|
| MWh Purchases | | | | | |
| Group | | | | | |
| Residential | | | | | |
| Residential (8kVA 1 Phase) - All Peak * | ND08P | 35 | \$0.6619 | \$70.510 | \$19,357 |
| Residential (8kVA 1 Phase) - With Off Peak * | ND08Q | 88 | \$0.4605 | \$70.510 | \$42,565 |
| Standard Residential (15kVA 1 Phase) - All Peak | ND20P | 1,114 | \$1.2231 | \$70.510 | \$1,088,155 |
| Standard Residential (15kVA 1 Phase) - With Off Peak | ND20Q | 7,459 | \$0.8494 | \$70.510 | \$6,295,370 |
| Residential Low User (15kVA 1 Phase) - All Peak | NDL20P | 764 | \$0.1500 | \$109.190 | \$628,062 |
| Residential Low User (15kVA 1 Phase) - With Off Peak | NDL20Q | 5,382 | \$0.1000 | \$109.190 | \$3,782,590 |
| Residential Low User (8kVA 1 Phase) - All Peak* | NDL08P | 22 | \$0.1500 | \$89.110 | \$13,121 |
| Residential Low User (8kVA 1 Phase) - With Off Peak* | NDL08Q | 104 | \$0.1000 | \$89.110 | \$52,772 |

| Consumer Capacity | Code | Number of Connections | Fixed Charge per Day | Variable Charge per Day | Line Charge Revenue per Consumer |
|--|--------|-----------------------|----------------------|-------------------------|----------------------------------|
| General Single Phase | | | | | |
| Street Lights (1 Phase) per street light | NS001L | 5,082 | \$0.1014 | \$70.510 | \$172,426 |
| 1 kVA 1 Phase - All Peak | NS001P | 48 | \$0.4749 | \$70.510 | \$24,061 |
| 8 kVA 1 Phase - All Peak | NS008P | 167 | \$0.6619 | \$70.510 | \$91,543 |
| 8 kVA 1 Phase - With Off Peak | NS008Q | 9 | \$0.4605 | \$70.510 | \$4,284 |
| 15 kVA 1 Phase - All Peak | NS020P | 283 | \$1.2231 | \$70.510 | \$279,343 |
| 15 kVA 1 Phase - With Off Peak | NS020Q | 87 | \$0.8494 | \$70.510 | \$72,487 |
| General Three Phase | | | | | |
| 15 kVA 3 Phase - All Peak | NT015P | 66 | \$1.0225 | \$70.510 | \$60,917 |
| 15 kVA 3 Phase - With Off Peak | NT015Q | 9 | \$0.6619 | \$70.510 | \$7,325 |
| 30 kVA 3 Phase - All Peak | NT030P | 550 | \$1.7127 | \$70.510 | \$926,375 |
| 30 kVA 3 Phase - With Off Peak | NT030Q | 118 | \$1.1657 | \$70.510 | \$170,428 |
| 50 kVA 3 Phase - All Peak | NT050P | 320 | \$3.4971 | \$70.510 | \$1,091,436 |
| 50 kVA 3 Phase - With Off Peak | NT050Q | 67 | \$2.3746 | \$70.510 | \$196,198 |
| 75 kVA 3 Phase - All Peak | NT075P | 117 | \$7.1813 | \$70.510 | \$650,781 |
| 75 kVA 3 Phase - With Off Peak | NT075Q | 15 | \$5.2242 | \$70.510 | \$71,244 |
| 100 kVA 3 Phase - All Peak | NT100P | 65 | \$8.7354 | \$70.510 | \$484,938 |
| 100 kVA 3 Phase - With Off Peak | NT100Q | 7 | \$6.3323 | \$70.510 | \$47,033 |

8. HOW FIXED AND VARIABLE PRICES ARE SET

Using the line charge requirements determined in the previous section, fixed and variable prices are set for residential and general consumers. The objectives behind the fixed and variable charges are as follows:

- A 50:50 split between fixed and variable line charges is considered compromise between a totally fixed charge which would benefit the large consumer within a load group and a totally variable charge which would benefit the small consumer within a load group.
- As stated above, the fixed and variable charge allows the larger consumer in a load group to pay more which reflects to some extent their reduced diversity on the maximum demands seen at sub transmission and transmission level. Although the distribution network in the vicinity of the premises has to have enough capacity to supply the full capacity of the installation, the remainder of the network is designed to take into account the diversity between consumer demands. As a general rule, the less energy a consumer uses, the greater the diversity, hence the less capital investment required to supply. A totally fixed line charge does not take this into account so there would need to be more load sub-groups such as very small, small, medium, large and very large residential consumers besides the existing All Peak and With Off Peak categories.
- It is important to note that the variable charge is on daytime energy only, so residential consumers with large night loads, such as storage or water heating, do not pay extra as this consumption is utilising network assets, the capacity of which is designed on the basis of and costs recovered by the peak load in daytime hours. This encourages better utilisation of the network and less capital investment.
- Retailers may directly pass through a totally fixed charge to consumers.
- It is a means whereby the line owner can share the risk of climatic variations and be responsive to changes in the local economy. It has been well received in the commercial market that when a consumer has a production downturn or invests in energy conservation measures, there is an immediate response through a reduction in the variable charges.
- Consumers also have the opportunity to shift load to night time to receive immediate benefits.
- If a consumer is expanding the business, the variable charges mean that the line owner can receive some immediate extra revenue and it can also cushion the increase in line charges for the following year.

The practical application of a variable component of the line charge for the residential & general consumers resulted in a necessity for a uniform variable charge and individual fixed charges for each segment.

The variable charge component is based on daytime energy usage, i.e. between 07:00 and 23:00 hours. Hence, night time consumption does not attract a line charge.

9. NON-STANDARD CONTRACTS

PowerNet has a standard methodology for the determination of line charges for large customers, these line charges are charged to the customer via an interposed basis with the energy retailer.

In rare cases the standard methodology may not fully recover the return and operating costs of the large capital expenditure required in supplying these customers. These customers may also have enhanced security arrangements. In these situations where customers have significant capital contributions, robust commercial contracts incorporating prudential requirements are prudent to mitigate the risk of these assets being stranded. These contracts can also assist in avoiding uneconomic by-pass of the network when negotiating commercial arrangements and encourage growth within the network.

There are currently no ICPs on non-standard contracts.

9.1 Line Services Interruptions

Customers on non-standard contracts can contract to have an N-1 security arrangement, this is where the customer has an alternative supply to their site from the substation should their normal supply route be interrupted, this can be an automatic or manual change over process. Should customers choose to have the additional security of supply, their line charges will reflect the additional cost.

Customers on non-standard contracts who have standard security arrangements are subject to the same restoration arrangements as customers on standard contracts.

10. DISTRIBUTED GENERATION

PowerNet’s line pricing methodology and Part 6 of the Electricity Industry Participation Code 2010 applies to Distributed Generation connected to the electricity network for varying capacities. Currently there is no large scale Distributed Generation connected to the network.

In certain situations it will be possible to connect Distributed Generation to the network downstream of the meter at a low capacity without modifications to the electricity network, in which case a standard off take Line Charge will be required to be paid to PowerNet.

In other situations there may be incremental costs incurred by PowerNet due to investigation and network modifications required. As with all customers seeking connection to the PowerNet electricity network where incremental costs are incurred an upfront capital contribution may be required to be paid.

For large capacity Distributed Generation options may exist to meet incremental costs either through payment of an upfront capital contribution and /or entering into a New Investment Agreement and / or Delivery Services Agreement with appropriate prudential security. A normal line charge will also apply according to the installation connection capacity of the Distributed Generators off take.

10.1 Financial Transactions with Distributed Generators

An application fee based on the capacity of connection is payable by the party making application to connect Distributed Generation to the network.

Financial transactions that can occur when Distributed Generation is connected to the electricity network are:

| Transaction Types | Capacity |
|--|--|
| Normal off take Line Charge (paid by the Distributed Generator to PowerNet) | All capacities |
| Capital Contribution (paid by the Distributed Generator to PowerNet) | All capacities where incremental costs are incurred by the network |
| New Investment Agreement charge (paid by the Distributed Generator to PowerNet) | For capacities > 500kW |
| Recovery of High Voltage Direct Current (HVDC) Transmission Charges (paid by the Distributed Generator to PowerNet) | Where the Distributed Generation is injected into the Transmission Network |
| Avoided Transmission Charges (paid by PowerNet to the Distributed Generator) | Where the Distributed Generation reduces Interconnection Charges at peak times |

10.2 Capital Contributions

Capital Contributions are calculated in accordance with the published Capital Contribution policy.

10.3 New Investment Agreement and / or Delivery Services Agreement Charges

New Investment Agreement and / or Delivery Services Agreement charges are negotiated with each customer and depend on factors including length of contract, asset lives, sunk costs, recoverable costs, maintenance costs, return on investment and prudential security provided.

10.4 HVDC Transmission Charges

HVDC Transmission Charges are recovered from Distributed Generators based on their share of the injection demand into the Transmission Network at the grid exit point they inject into.

10.5 Avoided Transmission Charge revenue

Avoided Transmission Charge revenue is allocated to Distributed Generators based on their generation demand injected into the network coincident with Transpower's top 100 demand peaks for the lower South Island, under the Electricity Authority Transmission Pricing Methodology (TPM), for the period 1 September to 31 August.

The Transpower interconnection charge is then applied over the period 1 April to 31 March. This lag can result in a one year delay in the allocation of revenue to Distributed Generators.

The revenue paid to Distributed Generators is based on the annual interconnection rate set by Transpower under the TPM. The Avoided Transmission Charge revenue allocation to Distributed Generators is subject to change in the TPM. Currently there are no Distributed Generators receiving this payment.

Avoided Transmission Charge payments are only paid to Distributed Generators who the Electricity Authority determines are necessary to enable Transpower to meet the grid reliability standards under Schedule 6.4 of the Electricity Industry Participation Code (Code) or have a connection agreement with Electricity Invercargill Limited for such payments. Distributed Generators must also be submitting full half hour metered export consumption data to the network on a monthly basis to be eligible for payments.

10.6 Energy Reporting

Where distributed generation is connected to the distributor's network, kWh being exported onto the distributor's network must be submitted to the distributor. The format the data is submitted must match the format of the ICPs other submitted data, e.g. either EIEP1 or EIEP3 format. For clarity, export onto the distributor's network, and consumption off the distributor's network, are to be reported separately under the relevant price options (i.e. they should not be netted off).

The introduction of a zero-price export price will ensure that retailers provide export kWh volumes for all small-scale DG connections (ie, solar).

11. PRICING STRATEGY

Given that EIL's pricing to Individual Customers is highly cost reflective, the focus for future pricing changes is in the structure of pricing for residential and general customers. Two issues for further development are: (1) how to improve time-of-day signals regarding peak times on the network that are likely to drive future investment; and (2) how to reduce distortions from the recovery of sunk costs.

EIL has made significant progress on the first of these issues by examining TOU price implementation. PowerNet has engaged in significant workstreams to enable TOU pricing including: billing system changes; engagement with retailers seeking support and feedback on best practice to implementing a change to TOU and how the necessary data will be provided; and preparing TOU pricing models and analysis. We have introduced new loss codes to identify low user energy at a GXP level to aid the analysis. We intend to continue to develop TOU pricing, with the potential to implement for residential and general consumers from 1 April 2021. The change in consumers' lines charges as a result of TOU will depend on usage profiles, but generally TOU implementation will have the least bill impact of available price reform options.

Addressing the second issue is largely dependent on the government's implementation of a transition from the existing Low Fixed Charge (LFC) Regulations. The regulations limit fixed charges to 15c per day, which effectively means that for residential consumers with annual usage below 9000 kWh (which is the majority of EIL's residential connections) 95% of revenue must be collected through variable charges. This means that variable charges are higher than is efficient and oversignal the network impacts of energy use. The Electricity Networks Association (ENA) has facilitated a collaborative exercise in examining other pricing options in the presence of the LFC. However, that exercise has found that alternative options involve significant challenges, risks and lead-in times. Moreover, indications from the Minister that the government is actively pursuing LFC reform lead EIL to conclude that at this stage the best course of action is to await the outcome of that reform.

APPENDIX 1: COMMERCE COMMISSION INFORMATION DISCLOSURE REQUIREMENTS

In the below table we describe the relevant sections of this methodology where we demonstrate compliance with the key sections of the Commerce Commission’s Electricity Distribution Information Disclosure Determination 2012 requirements:

| IDD Section | Key sections of methodology demonstrating compliance |
|----------------------|--|
| 2.4.1 (1) | Sections 3, 5-9 |
| 2.4.1 (2) | Section 3.2 |
| 2.4.1 (3) | Sections 9 & 10 |
| 2.4.1 (4) | Section 3.3 |
| 2.4.2 | No changes to the methodology |
| 2.4.3 (1) | Section 6 |
| 2.4.3 (2) | Section 4 |
| 2.4.3 (3) | Section 5 |
| 2.4.3 (4) | Section 5 |
| 2.4.3 (5) (a) , (b) | Section 3 |
| 2.4.3 (6) | Section 3.2 |
| 2.4.3 (7) | Sections 6 & 7 |
| 2.4.3 (8) | Appendix 2 |
| 2.4.4 (1-3) | Section 11 |
| 2.4.5 (1) (a) to (c) | Section 9 |
| 2.4.5 (2) (a) & (b) | Section 9 |
| 2.4.5 (3) (a) & (b) | Section 10 |

APPENDIX 2: LINE CHARGE TABLES

Line Charge Breakdown for Individual Customers

| ICP | Contract | Trans Power | Sub-transmission | Distribution | PowerNet | Pass Through | Total | Fixed | Variable |
|---------------|-----------------|-------------|------------------|--------------|----------|--------------|----------------|---------------------|--------------------------|
| Number | Capacity kVA | Charge | Charge | Charge | Charge | Costs | Line Charge | Charge per annum | Charge per Day MWh |
| 880323NV-EBD | 150 | \$11,446.47 | \$2,371.76 | \$5,534.75 | \$96.91 | \$868.19 | \$20,318.08 | \$10,159.04 | \$24.76 |
| 9003081NV-OFF | 200 | \$5,705.08 | \$1,213.54 | \$5,184.68 | \$96.91 | \$707.36 | \$12,907.56 | \$6,453.78 | \$26.61 |
| 8803298NV-3CC | 500 | \$17,607.07 | \$4,203.56 | \$12,233.16 | \$96.91 | \$1,777.80 | \$35,918.50 | \$17,959.25 | \$28.70 |
| 740649NV-C13 | 75 | \$112.99 | \$42.73 | \$1,637.73 | \$96.91 | \$204.28 | \$2,094.64 | \$1,047.32 | \$168.74 |
| 900390NV-B86 | 300 | \$7,119.66 | \$2,324.13 | \$5,838.94 | \$96.91 | \$895.55 | \$16,275.18 | \$6,825.09 | \$70.51 |
| 880327NV-FB7 | 300 | \$17,062.40 | \$3,831.84 | \$10,016.18 | \$96.91 | \$1,501.76 | \$32,509.09 | \$16,254.54 | \$20.42 |
| 836598NV-F14 | 150 | \$6,296.68 | \$1,945.59 | \$4,848.58 | \$96.91 | \$749.58 | \$13,937.33 | (\$7,600.18) | \$70.51 |
| 8102959NV-5D5 | 300 | \$12,332.32 | \$2,408.93 | \$7,985.85 | \$96.91 | \$1,133.52 | \$23,957.53 | \$11,978.76 | \$31.92 |
| 900350NV-C69 | 100 | \$2,974.00 | \$595.86 | \$2,428.10 | \$96.91 | \$347.55 | \$6,442.41 | \$3,221.21 | \$32.14 |
| 810201NV-DAD | 150 | \$3,116.78 | \$641.26 | \$3,389.45 | \$96.91 | \$454.90 | \$7,699.29 | \$3,849.64 | \$40.48 |
| 734802NV-A50 | 150 | \$5,603.80 | \$1,273.92 | \$4,076.07 | \$96.91 | \$595.58 | \$11,646.29 | \$5,823.14 | \$28.80 |
| 734355NV-C9C | 300 | \$1,713.37 | \$544.61 | \$5,231.41 | \$96.91 | \$641.01 | \$8,227.31 | \$5,716.37 | \$70.51 |
| 850948NV-9C2 | 30 | \$875.77 | \$172.97 | \$1,026.66 | \$96.91 | \$153.01 | \$2,325.32 | \$1,162.66 | \$25.79 |

| ICP Number | Contract Capacity kVA | Trans Power Charge | Sub-transmission Charge | Distribution Charge | PowerNet Charge | Pass Through Costs | Total Line Charge | Fixed Charge per annum | Variable Charge per Day MWh |
|---------------|-----------------------|--------------------|-------------------------|---------------------|-----------------|--------------------|-------------------|------------------------|-----------------------------|
| 900327NV-4FE | 50 | \$2,435.24 | \$504.13 | \$2,336.52 | \$96.91 | \$328.00 | \$5,700.79 | \$2,850.40 | \$20.75 |
| 8803283NV-7B5 | 150 | \$9,015.22 | \$2,290.14 | \$4,947.61 | \$96.91 | \$796.88 | \$17,146.75 | \$8,573.37 | \$21.95 |
| 740385NV-DE7 | 200 | \$5,446.69 | \$1,454.52 | \$5,285.99 | \$96.91 | \$743.86 | \$13,027.97 | \$6,513.98 | \$20.60 |
| 9003503NV-035 | 200 | \$5,569.61 | \$1,240.51 | \$4,948.89 | \$96.91 | \$685.09 | \$12,541.00 | \$6,270.50 | \$39.77 |
| 8509006NV-D55 | 150 | \$5,103.68 | \$1,141.06 | \$4,256.49 | \$96.91 | \$600.65 | \$11,198.79 | \$5,599.40 | \$20.29 |
| 880344NV-C87 | 300 | \$3,650.15 | \$1,071.70 | \$6,466.26 | \$96.91 | \$828.89 | \$12,113.91 | (\$4,343.55) | \$70.51 |
| 7433294NV-FC6 | 150 | \$2,248.25 | \$739.52 | \$2,957.29 | \$96.91 | \$419.29 | \$6,461.26 | \$2,856.03 | \$70.51 |
| 743331NV-CBF | 150 | \$2,791.94 | \$888.01 | \$3,283.91 | \$96.91 | \$469.96 | \$7,530.72 | \$520.22 | \$70.51 |
| 900330NV-399 | 500 | \$31,927.11 | \$7,239.00 | \$17,955.07 | \$96.91 | \$2,711.63 | \$59,929.71 | \$29,964.85 | \$19.47 |
| 740373NV-C7F | 200 | \$6,377.77 | \$1,379.82 | \$4,969.61 | \$96.91 | \$702.15 | \$13,526.26 | \$6,763.13 | \$38.80 |
| 721862NV-A61 | 30 | \$1,541.62 | \$199.60 | \$1,031.44 | \$96.91 | \$156.36 | \$3,025.92 | \$1,512.96 | \$43.23 |
| 8803601NV-E7B | 150 | \$145.96 | \$45.71 | \$2,689.37 | \$96.91 | \$316.74 | \$3,294.68 | \$3,000.59 | \$70.51 |
| 734326NV-501 | 200 | \$2,584.86 | \$762.09 | \$4,433.55 | \$96.91 | \$579.12 | \$8,456.53 | \$3,428.09 | \$70.51 |
| 734325NV-9C1 | 150 | \$925.07 | \$282.01 | \$2,950.73 | \$96.91 | \$369.81 | \$4,624.53 | \$1,551.89 | \$70.51 |
| 7227954NV-421 | 100 | \$2,122.04 | \$674.20 | \$2,201.71 | \$96.91 | \$331.76 | \$5,426.62 | \$1,160.75 | \$70.51 |
| 734165NV-163 | 750 | \$10,283.26 | \$2,569.21 | \$15,930.63 | \$96.91 | \$1,997.80 | \$30,877.80 | \$15,438.90 | \$32.37 |
| 8541431NV-DF3 | 150 | \$3,254.86 | \$1,067.73 | \$3,003.16 | \$96.91 | \$459.18 | \$7,881.84 | \$4,269.53 | \$70.51 |

| ICP Number | Contract Capacity kVA | Trans Power Charge | Sub-transmission Charge | Distribution Charge | PowerNet Charge | Pass Through Costs | Total Line Charge | Fixed Charge per annum | Variable Charge per Day MWh |
|----------------|-----------------------|--------------------|-------------------------|---------------------|-----------------|--------------------|-------------------|------------------------|-----------------------------|
| 722703NV-43B | 200 | \$5,627.25 | \$1,116.04 | \$5,235.84 | \$96.91 | \$702.41 | \$12,778.46 | \$6,389.23 | \$24.48 |
| 90030815NV-060 | 500 | \$2,288.28 | \$679.81 | \$9,419.27 | \$96.91 | \$1,101.99 | \$13,586.25 | \$6,793.13 | \$53.15 |
| 734846NV-9FF | 50 | \$797.35 | \$277.01 | \$1,431.08 | \$96.91 | \$207.23 | \$2,809.58 | \$262.17 | \$70.51 |
| 900356NV-DE6 | 300 | \$5,833.98 | \$1,906.50 | \$6,544.73 | \$96.91 | \$926.28 | \$15,308.40 | (\$1,550.17) | \$70.51 |
| 8665558NV-6AF | 200 | \$3,454.78 | \$615.79 | \$4,393.77 | \$96.91 | \$559.28 | \$9,120.52 | \$4,560.26 | \$47.08 |
| 8803767NV-900 | 50 | \$944.58 | \$286.03 | \$1,629.98 | \$96.91 | \$229.40 | \$3,186.90 | (\$923.40) | \$70.51 |
| 740394NV-B0F | 200 | \$4,064.40 | \$1,283.58 | \$4,614.45 | \$96.91 | \$654.02 | \$10,713.36 | (\$121.90) | \$70.51 |
| 9003071NV-0E8 | 500 | \$19,347.80 | \$5,866.36 | \$14,231.54 | \$96.91 | \$2,168.20 | \$41,710.81 | \$20,855.40 | \$19.75 |
| 8509026NV-000 | 500 | \$7,550.66 | \$1,879.25 | \$10,376.05 | \$96.91 | \$1,331.92 | \$21,234.78 | \$10,617.39 | \$29.11 |
| 7551948NV-7E0 | 300 | \$9,781.23 | \$2,226.81 | \$7,474.77 | \$96.91 | \$1,059.60 | \$20,639.31 | \$10,319.66 | \$30.63 |
| 9003385NV-2F6 | 150 | \$5,268.57 | \$1,400.25 | \$4,243.46 | \$96.91 | \$626.90 | \$11,636.09 | \$5,818.04 | \$22.41 |
| 7302939NV-E0B | 150 | \$2,539.80 | \$1,163.35 | \$4,382.85 | \$96.91 | \$616.50 | \$8,799.41 | \$4,399.70 | \$26.43 |
| 734424NV-A86 | 100 | \$1,927.24 | \$314.87 | \$2,175.18 | \$96.91 | \$290.61 | \$4,804.80 | \$2,402.40 | \$36.76 |
| 835871NV-C17 | 500 | \$7,280.38 | \$1,816.95 | \$10,287.84 | \$96.91 | \$1,315.87 | \$20,797.94 | \$10,398.97 | \$35.37 |
| 9003117NV-793 | 300 | \$17,864.83 | \$4,032.11 | \$9,706.82 | \$96.91 | \$1,490.12 | \$33,190.80 | \$16,595.40 | \$23.92 |
| 900305NV-92E | 750 | \$8,379.41 | \$2,285.95 | \$15,910.38 | \$96.91 | \$1,965.43 | \$28,638.07 | \$14,319.04 | \$45.14 |
| 900306NV-5EE | 750 | \$5,552.83 | \$2,762.52 | \$15,057.30 | \$96.91 | \$1,925.28 | \$25,394.84 | \$12,697.42 | \$50.16 |

| ICP Number | Contract Capacity kVA | Trans Power Charge | Sub-transmission Charge | Distribution Charge | PowerNet Charge | Pass Through Costs | Total Line Charge | Fixed Charge per annum | Variable Charge per Day MWh |
|----------------|-----------------------|--------------------|-------------------------|---------------------|-----------------|--------------------|-------------------|------------------------|-----------------------------|
| 744103NV-5A5 | 750 | \$14,503.99 | \$3,551.90 | \$17,794.12 | \$96.91 | \$2,301.29 | \$38,248.21 | \$19,124.10 | \$24.04 |
| 734318NV-162 | 300 | \$4,608.64 | \$842.65 | \$6,002.46 | \$96.91 | \$755.01 | \$12,305.67 | \$6,152.83 | \$39.29 |
| 734470NV-384 | 300 | \$191.31 | \$66.85 | \$4,977.89 | \$96.91 | \$563.03 | \$5,895.99 | \$5,337.83 | \$70.51 |
| 754696NV-0EE | 200 | \$10,107.01 | \$2,167.01 | \$6,251.48 | \$96.91 | \$922.78 | \$19,545.18 | \$9,772.59 | \$33.07 |
| 831121NV-B96 | 300 | \$4,123.81 | \$1,247.44 | \$5,747.05 | \$96.91 | \$770.94 | \$11,986.14 | \$5,993.07 | \$50.51 |
| 755825NV-937 | 200 | \$3,411.28 | \$1,139.44 | \$3,805.69 | \$96.91 | \$552.41 | \$9,005.72 | \$7,241.14 | \$70.51 |
| 7433014NV-08B | 500 | \$12,587.46 | \$2,926.97 | \$11,367.01 | \$96.91 | \$1,549.31 | \$28,527.64 | \$14,263.82 | \$31.23 |
| 9003083NV-07A | 500 | \$12,777.91 | \$3,360.25 | \$12,013.54 | \$96.91 | \$1,664.45 | \$29,913.06 | \$14,956.53 | \$27.14 |
| 880363NV-C18 | 200 | \$2,831.61 | \$694.29 | \$4,549.02 | \$96.91 | \$584.20 | \$8,756.03 | \$4,378.01 | \$30.22 |
| 880302NV-FAD | 150 | \$4,825.41 | \$1,229.35 | \$4,233.33 | \$96.91 | \$607.60 | \$10,992.59 | \$5,496.29 | \$19.91 |
| 8803047NV-B57 | 150 | \$1,928.42 | \$468.91 | \$3,112.37 | \$96.91 | \$406.98 | \$6,013.58 | \$3,006.79 | \$47.01 |
| 73015753NV-A0E | 150 | \$3,740.19 | \$1,080.70 | \$3,892.77 | \$96.91 | \$555.43 | \$9,365.99 | \$4,682.99 | \$24.13 |
| 8803625NV-224 | 200 | \$7,350.34 | \$2,028.59 | \$6,103.40 | \$96.91 | \$892.23 | \$16,471.47 | \$8,235.74 | \$20.11 |
| 9003212NV-9DF | 100 | \$2,707.60 | \$569.99 | \$2,546.07 | \$96.91 | \$357.37 | \$6,277.94 | \$3,138.97 | \$22.94 |
| 7301908NV-756 | 100 | \$3,166.82 | \$851.26 | \$2,846.97 | \$96.91 | \$419.45 | \$7,381.41 | \$3,690.70 | \$20.31 |
| 880308NV-D3C | 75 | \$4,517.95 | \$1,238.36 | \$3,899.88 | \$96.91 | \$573.00 | \$10,326.09 | \$5,163.04 | \$22.92 |
| 7301973NV-CDF | 75 | \$3,890.96 | \$902.33 | \$3,594.02 | \$96.91 | \$504.55 | \$8,988.77 | \$4,494.38 | \$23.48 |

| ICP Number | Contract Capacity kVA | Trans Power Charge | Sub-transmission Charge | Distribution Charge | PowerNet Charge | Pass Through Costs | Total Line Charge | Fixed Charge per annum | Variable Charge per Day MWh |
|---------------|-----------------------|--------------------|-------------------------|---------------------|-----------------|--------------------|-------------------|------------------------|-----------------------------|
| 8803164NV-3C6 | 75 | \$3,835.03 | \$777.00 | \$3,268.77 | \$96.91 | \$456.50 | \$8,434.20 | \$4,217.10 | \$27.52 |
| 8803165NV-F83 | 50 | \$2,328.99 | \$439.87 | \$1,976.05 | \$96.91 | \$282.71 | \$5,124.52 | \$2,562.26 | \$27.55 |
| 744611NV-08F | 300 | \$8,104.81 | \$1,997.63 | \$6,876.63 | \$96.91 | \$971.38 | \$18,047.35 | \$9,023.67 | \$34.46 |
| 9003603NV-336 | 300 | \$21,057.42 | \$4,747.17 | \$12,435.34 | \$96.91 | \$1,857.32 | \$40,194.15 | \$20,097.08 | \$25.55 |
| 9003051NV-DBD | 300 | \$13,552.10 | \$3,157.77 | \$8,011.00 | \$96.91 | \$1,216.06 | \$26,033.83 | \$13,016.92 | \$25.87 |
| 7757907NV-783 | 500 | \$13,681.99 | \$3,641.39 | \$11,621.96 | \$96.91 | \$1,652.68 | \$30,694.92 | \$15,347.46 | \$35.00 |
| 7757994NV-4A4 | 200 | \$5,915.98 | \$1,778.39 | \$4,944.69 | \$96.91 | \$742.00 | \$13,477.97 | \$6,738.98 | \$41.01 |
| 880336NV-95F | 500 | \$24,224.55 | \$5,632.64 | \$13,889.64 | \$96.91 | \$2,106.82 | \$45,950.55 | \$22,975.28 | \$28.63 |
| 8803031NV-F85 | 200 | \$6,179.93 | \$1,668.32 | \$5,571.15 | \$96.91 | \$797.06 | \$14,313.37 | \$7,156.69 | \$20.38 |
| 880321NV-E38 | 200 | \$5,483.80 | \$1,536.67 | \$5,454.42 | \$96.91 | \$770.58 | \$13,342.37 | \$6,671.19 | \$20.11 |
| 8665382NV-F7A | 200 | \$7,510.19 | \$2,280.40 | \$5,577.84 | \$96.91 | \$863.04 | \$16,328.38 | (\$2,001.48) | \$70.51 |
| 721876NV-1C6 | 200 | \$2,788.50 | \$467.53 | \$4,335.71 | \$96.91 | \$537.28 | \$8,225.92 | \$4,112.96 | \$41.68 |
| 750191NV-4A6 | 150 | \$4,224.95 | \$1,315.08 | \$3,633.42 | \$96.91 | \$552.77 | \$9,823.12 | \$314.45 | \$70.51 |
| 733395NV-F13 | 200 | \$1,916.76 | \$565.25 | \$4,336.56 | \$96.91 | \$547.79 | \$7,463.27 | \$1,722.53 | \$70.51 |
| 880317NV-84F | 300 | \$1,303.73 | \$204.59 | \$5,239.57 | \$96.91 | \$605.62 | \$7,450.41 | \$3,725.21 | \$90.00 |
| 8365737NV-155 | 300 | \$13,596.90 | \$3,051.26 | \$7,560.30 | \$96.91 | \$1,156.64 | \$25,462.00 | \$12,731.00 | \$30.29 |
| 9003244NV-058 | 300 | \$8,954.25 | \$2,212.23 | \$7,859.90 | \$96.91 | \$1,099.12 | \$20,222.41 | \$10,111.20 | \$19.54 |

| ICP Number | Contract Capacity kVA | Trans Power Charge | Sub-transmission Charge | Distribution Charge | PowerNet Charge | Pass Through Costs | Total Line Charge | Fixed Charge per annum | Variable Charge per Day MWh |
|---------------|-----------------------|--------------------|-------------------------|---------------------|-----------------|--------------------|-------------------|------------------------|-----------------------------|
| 8509245NV-937 | 200 | \$7,645.41 | \$1,811.91 | \$5,979.81 | \$96.91 | \$855.95 | \$16,389.99 | \$8,194.99 | \$20.27 |
| 7447592NV-D72 | 150 | \$547.57 | \$164.26 | \$2,885.87 | \$96.91 | \$350.34 | \$4,044.94 | \$1,497.74 | \$70.51 |
| 8665408NV-7A3 | 150 | \$3,129.26 | \$1,007.92 | \$3,196.00 | \$96.91 | \$473.37 | \$7,903.45 | \$2,054.27 | \$70.51 |
| 9003243NV-D92 | 200 | \$6,593.68 | \$1,187.35 | \$5,347.70 | \$96.91 | \$721.95 | \$13,947.58 | \$6,973.79 | \$27.21 |
| 880361NV-C9D | 500 | \$27,486.19 | \$6,389.65 | \$15,996.91 | \$96.91 | \$2,412.25 | \$52,381.89 | \$26,190.95 | \$20.90 |
| 744655NV-320 | 200 | \$4,450.86 | \$906.46 | \$4,897.86 | \$96.91 | \$644.03 | \$10,996.11 | \$5,498.05 | \$28.16 |
| 931741NV-60C | 500 | \$13,113.27 | \$11,832.73 | \$10,459.96 | \$96.91 | \$2,402.24 | \$37,905.10 | \$18,952.55 | \$28.55 |
| 7341276NV-90B | 200 | \$3,149.38 | \$700.57 | \$4,579.96 | \$96.91 | \$588.17 | \$9,114.99 | \$4,557.49 | \$26.02 |
| 7341272NV-801 | 150 | \$1,997.96 | \$420.14 | \$3,190.93 | \$96.91 | \$410.15 | \$6,116.09 | \$3,058.05 | \$39.18 |
| 733399NV-C0D | 100 | \$3,521.87 | \$673.87 | \$2,703.17 | \$96.91 | \$385.20 | \$7,381.01 | \$3,690.51 | \$26.66 |
| 7447142NV-C31 | 200 | \$3,998.92 | \$840.24 | \$4,733.21 | \$96.91 | \$619.41 | \$10,288.68 | \$5,144.34 | \$29.30 |
| 900392NV-B03 | 750 | \$31,535.90 | \$6,143.57 | \$20,766.46 | \$96.91 | \$2,894.60 | \$61,437.44 | \$30,718.72 | \$25.88 |
| 7344583NV-C71 | 150 | \$291.71 | \$97.90 | \$2,731.91 | \$96.91 | \$326.84 | \$3,545.27 | \$2,414.03 | \$70.51 |
| 900325NV-47B | 500 | \$35,633.42 | \$8,225.29 | \$18,717.20 | \$96.91 | \$2,898.07 | \$65,570.88 | \$32,785.44 | \$18.97 |
| 8509962NV-AA6 | 75 | \$776.54 | \$204.84 | \$2,065.51 | \$96.91 | \$267.19 | \$3,410.99 | \$1,705.49 | \$31.65 |
| 7317032NV-617 | 200 | \$7,410.45 | \$1,791.84 | \$5,465.35 | \$96.91 | \$798.95 | \$15,563.51 | \$7,781.75 | \$27.53 |
| 9003573NV-568 | 200 | \$7,372.20 | \$2,287.71 | \$5,178.80 | \$96.91 | \$821.27 | \$15,756.89 | (\$1,423.07) | \$70.51 |

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|---------------|-----------------------|--------------------|-------------------------|---------------------|-----------------|--------------------|-------------------|------------------------|-----------------------------|
| 880375NV-73A | 300 | \$6,207.86 | \$2,024.55 | \$5,728.22 | \$96.91 | \$851.80 | \$14,909.33 | \$4,993.84 | \$70.51 |
| 880309NV-179 | 300 | \$7,309.01 | \$1,587.56 | \$6,966.44 | \$96.91 | \$937.23 | \$16,897.15 | \$8,448.57 | \$25.88 |
| 8144266NV-0A8 | 200 | \$7,480.47 | \$1,498.05 | \$5,726.66 | \$96.91 | \$795.49 | \$15,597.57 | \$7,798.79 | \$26.47 |
| 880329NV-C2C | 1000 | \$46,265.64 | \$12,909.04 | \$36,118.09 | \$96.91 | \$5,253.03 | \$100,642.70 | \$50,321.35 | \$24.43 |
| 7406951NV-064 | 50 | \$127.83 | \$41.11 | \$1,051.45 | \$96.91 | \$141.59 | \$1,458.90 | \$729.45 | \$228.50 |
| 755884NV-D6D | 200 | \$3,390.37 | \$576.36 | \$4,332.86 | \$96.91 | \$548.58 | \$8,945.08 | \$4,472.54 | \$53.93 |
| 7205085NV-6A2 | 100 | \$2,482.48 | \$654.82 | \$2,512.02 | \$96.91 | \$362.78 | \$6,109.01 | \$3,054.51 | \$24.78 |
| 8305967NV-D0E | 500 | \$2,969.95 | \$3,285.04 | \$8,867.00 | \$96.91 | \$1,320.91 | \$16,539.79 | \$8,269.90 | \$107.76 |
| 7501996NV-A4D | 150 | \$2,028.00 | \$602.04 | \$3,566.01 | \$96.91 | \$469.54 | \$6,762.50 | (\$2,788.36) | \$70.51 |
| 7341792NV-7BE | 200 | \$4,321.52 | \$1,104.78 | \$4,870.58 | \$96.91 | \$662.27 | \$11,056.06 | \$5,528.03 | \$24.09 |
| 9003235NV-940 | 500 | \$25,527.49 | \$5,922.94 | \$15,091.24 | \$96.91 | \$2,265.91 | \$48,904.49 | \$24,452.24 | \$24.18 |
| 7229001NV-OAF | 100 | \$3,095.37 | \$679.57 | \$2,408.90 | \$96.91 | \$354.42 | \$6,635.16 | \$3,317.58 | \$32.33 |
| 880397NV-D05 | 500 | \$11,944.60 | \$3,245.05 | \$15,062.58 | \$96.91 | \$1,977.30 | \$32,326.45 | \$16,163.22 | \$24.38 |
| 880395NV-D80 | 1000 | \$15,655.46 | \$2,556.38 | \$20,625.60 | \$96.91 | \$2,497.07 | \$41,431.41 | \$20,715.71 | \$109.70 |
| 724187NV-3BD | 150 | \$5,390.28 | \$1,672.58 | \$4,149.51 | \$96.91 | \$645.92 | \$11,955.19 | (\$3,943.81) | \$70.51 |
| 760737NV-A1C | 500 | \$12,444.23 | \$3,879.87 | \$11,163.68 | \$96.91 | \$1,629.24 | \$29,213.92 | \$14,606.96 | \$41.14 |
| 9003082NV-C3F | 75 | \$4,224.81 | \$838.19 | \$3,226.86 | \$96.91 | \$458.56 | \$8,845.33 | \$4,422.66 | \$29.24 |

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|-----------------------|-----------------------|--------------------|-------------------------|---------------------|-----------------|--------------------|-------------------|------------------------|-----------------------------|
| 7227011NV-2C2 | 300 | \$2,441.09 | \$688.79 | \$5,493.82 | \$96.91 | \$684.36 | \$9,404.98 | \$4,702.49 | \$50.72 |
| 9003995NV-251 | 300 | \$7,948.35 | \$1,751.36 | \$6,945.74 | \$96.91 | \$952.49 | \$17,694.85 | \$8,847.42 | \$30.20 |
| 82029943NV-B5B | 150 | \$2,011.88 | \$587.40 | \$3,041.62 | \$96.91 | \$412.07 | \$6,149.88 | \$4,236.44 | \$70.51 |
| 835083NV-C88 | 300 | \$2,511.42 | \$1,035.09 | \$5,428.36 | \$96.91 | \$714.31 | \$9,786.09 | \$4,893.04 | \$155.91 |
| 825292NV-886 | 500 | \$21,218.89 | \$5,703.18 | \$14,400.42 | \$96.91 | \$2,168.81 | \$43,588.21 | \$21,794.10 | \$24.70 |
| 740340NV-747 | 150 | \$3,807.83 | \$1,128.53 | \$3,946.62 | \$96.91 | \$566.27 | \$9,546.15 | (\$3,030.16) | \$70.51 |
| 7433753NV-0E6 | 150 | \$6,270.54 | \$1,780.17 | \$4,650.44 | \$96.91 | \$710.81 | \$13,508.87 | (\$4,600.00) | \$70.51 |
| 900384NV-021 | 500 | \$27,502.68 | \$6,798.65 | \$15,015.62 | \$96.91 | \$2,351.22 | \$51,765.08 | \$25,882.54 | \$27.16 |
| 7302313NV-BC5 | 75 | \$1,028.35 | \$174.51 | \$1,985.41 | \$96.91 | \$255.41 | \$3,540.58 | \$1,770.29 | \$51.50 |
| 7302304NV-CA2 | 150 | \$2,467.70 | \$756.68 | \$3,322.01 | \$96.91 | \$460.02 | \$7,103.32 | \$613.55 | \$70.51 |
| 900383NV-DEB | 500 | \$6,927.38 | \$2,451.83 | \$9,926.54 | \$96.91 | \$1,345.04 | \$20,747.69 | \$10,373.85 | \$47.99 |
| 730262NV-92A | 100 | \$3,324.67 | \$1,045.88 | \$2,596.97 | \$96.91 | \$413.54 | \$7,477.96 | (\$1,191.66) | \$70.51 |
| 900313NV-20C | 300 | \$3,901.31 | \$844.72 | \$6,097.30 | \$96.91 | \$765.34 | \$11,705.58 | \$5,852.79 | \$38.65 |
| 7350005NV-3D0 | 75 | \$1,820.59 | \$549.31 | \$2,541.00 | \$96.91 | \$354.62 | \$5,362.43 | \$182.68 | \$70.51 |
| 7403555NV-A42 | 200 | \$6,336.78 | \$1,270.41 | \$5,101.60 | \$96.91 | \$704.56 | \$13,510.25 | \$6,755.13 | \$37.86 |
| 734360NV-62B | 75 | \$1,977.34 | \$665.50 | \$2,584.06 | \$96.91 | \$371.60 | \$5,695.42 | (\$2,363.92) | \$70.51 |
| 735249NV-D8B | 200 | \$4,999.33 | \$1,550.06 | \$4,723.28 | \$96.91 | \$694.04 | \$12,063.62 | \$2,633.54 | \$70.51 |

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|---------------|-----------------------|--------------------|-------------------------|---------------------|-----------------|--------------------|-------------------|------------------------|-----------------------------|
| 850908NV-B67 | 750 | \$29,986.86 | \$6,896.52 | \$22,302.43 | \$96.91 | \$3,138.68 | \$62,421.40 | \$31,210.70 | \$20.61 |
| 734110NV-971 | 300 | \$4,322.28 | \$1,015.78 | \$5,957.23 | \$96.91 | \$768.65 | \$12,160.85 | \$6,080.43 | \$40.17 |
| 7501257NV-2E9 | 150 | \$2,065.98 | \$597.44 | \$3,274.49 | \$96.91 | \$437.97 | \$6,472.78 | \$1,483.01 | \$70.51 |
| 7350693NV-BBE | 75 | \$1,390.37 | \$414.76 | \$2,241.75 | \$96.91 | \$308.36 | \$4,452.14 | \$858.76 | \$70.51 |
| 900358NV-E7D | 500 | \$12,707.57 | \$2,546.74 | \$9,887.35 | \$96.91 | \$1,350.98 | \$26,589.55 | \$13,294.78 | \$68.53 |
| 734460NV-929 | 200 | \$1,764.07 | \$281.10 | \$4,008.90 | \$96.91 | \$482.55 | \$6,633.53 | \$3,316.76 | \$61.85 |
| 724179NV-031 | 100 | \$826.70 | \$209.80 | \$1,954.63 | \$96.91 | \$255.89 | \$3,343.93 | \$1,671.96 | \$46.93 |
| 8425758NV-FE5 | 150 | \$1,044.65 | \$183.51 | \$2,907.52 | \$96.91 | \$354.70 | \$4,587.29 | \$2,293.64 | \$25.59 |
| 7302953NV-36A | 300 | \$4,185.85 | \$908.37 | \$6,094.55 | \$96.91 | \$771.84 | \$12,057.51 | \$6,028.75 | \$32.53 |
| 900351NV-02C | 200 | \$10,277.41 | \$2,386.10 | \$7,110.38 | \$96.91 | \$1,037.73 | \$20,908.54 | \$10,454.27 | \$17.59 |
| 7341793NV-BFB | 100 | \$4,234.34 | \$739.49 | \$2,616.12 | \$96.91 | \$382.91 | \$8,069.76 | \$4,034.88 | \$26.81 |
| 734188NV-482 | 300 | \$17,089.11 | \$3,858.96 | \$9,843.73 | \$96.91 | \$1,486.26 | \$32,374.97 | \$16,187.48 | \$19.19 |
| 800449NV-3FB | 75 | \$1,996.91 | \$625.77 | \$2,467.59 | \$96.91 | \$354.95 | \$5,542.13 | (\$14.98) | \$70.51 |
| 724111NV-DD5 | 150 | \$6,257.45 | \$994.57 | \$3,005.51 | \$96.91 | \$451.63 | \$10,806.07 | \$5,403.04 | \$90.05 |
| 900308NV-675 | 750 | \$12,372.81 | \$4,210.62 | \$21,106.98 | \$96.91 | \$2,724.80 | \$40,512.11 | \$20,256.06 | \$29.58 |
| 8305981NV-63B | 500 | \$18,990.31 | \$4,521.25 | \$12,474.47 | \$96.91 | \$1,837.41 | \$37,920.35 | \$18,960.17 | \$39.22 |
| 832431NV-6DE | 1000 | \$7,906.59 | \$1,437.01 | \$21,864.67 | \$96.91 | \$2,509.83 | \$33,815.00 | \$16,907.50 | \$54.98 |

| ICP Number | Contract Capacity kVA | Trans Power Charge | Sub-transmission Charge | Distribution Charge | PowerNet Charge | Pass Through Costs | Total Line Charge | Fixed Charge per annum | Variable Charge per Day MWh |
|---------------|-----------------------|--------------------|-------------------------|---------------------|-----------------|--------------------|-------------------|------------------------|-----------------------------|
| 8305375NV-D2C | 50 | \$1,168.10 | \$374.35 | \$1,573.40 | \$96.91 | \$232.79 | \$3,445.55 | \$48.91 | \$70.51 |
| 760735NV-A99 | 150 | \$4,013.22 | \$1,048.62 | \$3,509.60 | \$96.91 | \$511.15 | \$9,179.49 | \$4,589.75 | \$39.83 |
| 900319NV-09D | 200 | \$2,980.79 | \$927.55 | \$4,330.12 | \$96.91 | \$585.74 | \$8,921.11 | \$2,100.97 | \$70.51 |
| 740630NV-71F | 150 | \$6,501.45 | \$1,414.38 | \$3,966.59 | \$96.91 | \$598.88 | \$12,578.21 | \$6,289.10 | \$35.43 |
| 7433292NV-E49 | 500 | \$9,751.09 | \$2,789.15 | \$10,660.54 | \$96.91 | \$1,459.28 | \$24,756.97 | \$12,378.48 | \$34.91 |
| 744592NV-A06 | 200 | \$688.59 | \$207.02 | \$3,912.55 | \$96.91 | \$464.37 | \$5,369.43 | \$2,243.58 | \$70.51 |
| 731881NV-4FA | 200 | \$3,453.26 | \$1,163.58 | \$3,966.29 | \$96.91 | \$572.11 | \$9,252.15 | \$4,323.80 | \$70.51 |
| 8509025NV-CC0 | 300 | \$9,784.71 | \$2,164.38 | \$7,550.36 | \$96.91 | \$1,061.01 | \$20,657.37 | \$10,328.68 | \$22.49 |
| 8803032NV-345 | 150 | \$3,840.63 | \$626.45 | \$3,629.12 | \$96.91 | \$478.88 | \$8,671.98 | \$4,335.99 | \$32.77 |
| 900342NV-641 | 100 | \$5,409.20 | \$1,381.18 | \$3,078.93 | \$96.91 | \$500.69 | \$10,466.91 | \$5,233.45 | \$26.67 |
| 744608NV-473 | 300 | \$7,239.15 | \$1,894.87 | \$6,994.04 | \$96.91 | \$972.95 | \$17,197.91 | \$8,598.96 | \$27.39 |
| 933534NV-759 | 200 | \$668.71 | \$5,213.47 | \$4,176.84 | \$96.91 | \$1,026.41 | \$11,182.35 | \$5,591.17 | \$21.83 |
| 931777NV-07B | 750 | \$13.01 | \$147.68 | \$10,842.33 | \$96.91 | \$1,197.00 | \$12,296.92 | \$6,148.46 | \$3,074.23 |
| 931749NV-418 | 300 | \$2,518.94 | \$5,338.19 | \$5,273.91 | \$96.91 | \$1,156.70 | \$14,384.64 | \$7,192.32 | \$28.41 |
| 931775NV-0FE | 150 | \$135.97 | \$168.45 | \$2,393.31 | \$96.91 | \$298.26 | \$3,092.90 | \$2,945.85 | \$70.51 |
| 930503NV-F8B | 100 | \$1,312.86 | \$1,401.62 | \$1,790.15 | \$96.91 | \$365.44 | \$4,966.97 | \$2,483.49 | \$52.53 |
| 930505NV-E04 | 150 | \$3,906.68 | \$5,156.40 | \$3,033.33 | \$96.91 | \$898.39 | \$13,091.70 | \$3,616.30 | \$70.51 |

| ICP Number | Contract Capacity kVA | Trans Power Charge | Sub-transmission Charge | Distribution Charge | PowerNet Charge | Pass Through Costs | Total Line Charge | Fixed Charge per annum | Variable Charge per Day MWh |
|---------------|-----------------------|--------------------|-------------------------|---------------------|-----------------|--------------------|-------------------|------------------------|-----------------------------|
| 920755NV-4EA | 150 | \$3,873.27 | \$6,091.44 | \$3,622.07 | \$96.91 | \$1,060.88 | \$14,744.56 | \$7,372.28 | \$27.14 |
| 931776NV-C3E | 150 | \$3,116.90 | \$4,398.95 | \$2,629.98 | \$96.91 | \$774.61 | \$11,017.36 | \$7,458.44 | \$70.51 |
| 930921NV-E57 | 200 | \$3,979.60 | \$5,258.04 | \$3,824.12 | \$96.91 | \$993.55 | \$14,152.23 | \$6,414.11 | \$70.51 |
| 931326NV-837 | 150 | \$2,604.91 | \$3,480.06 | \$2,758.32 | \$96.91 | \$690.31 | \$9,630.50 | \$4,346.71 | \$70.51 |
| 9406013NV-102 | 500 | \$7,778.14 | \$9,062.00 | \$8,464.56 | \$96.91 | \$1,894.01 | \$27,295.62 | \$13,647.81 | \$52.92 |
| 9406011NV-187 | 500 | \$19,846.87 | \$19,084.60 | \$11,929.67 | \$96.91 | \$3,332.26 | \$54,290.31 | \$27,145.15 | \$28.48 |
| 931746NV-BC6 | 200 | \$4,265.77 | \$5,797.53 | \$3,882.46 | \$96.91 | \$1,057.30 | \$15,099.97 | \$5,313.69 | \$70.51 |
| 9408016NV-48D | 1750 | \$94,885.58 | \$114,083.04 | \$51,246.18 | \$96.91 | \$17,654.75 | \$277,966.45 | \$138,983.23 | \$28.69 |
| 931760NV-71C | 150 | \$3,341.70 | \$4,471.95 | \$2,798.25 | \$96.91 | \$800.34 | \$11,509.14 | \$6,139.48 | \$70.51 |
| 931704NV-9E6 | 200 | \$3,763.03 | \$3,074.92 | \$4,029.92 | \$96.91 | \$782.71 | \$11,747.49 | \$5,873.74 | \$36.75 |
| 934525NV-5D1 | 150 | \$1,622.06 | \$1,854.19 | \$2,833.82 | \$96.91 | \$524.99 | \$6,931.96 | \$2,074.35 | \$70.51 |

Line Charge Breakdown for Residential & General Customers

| Capacity | Code | Number of Connections | Transpower Charge | Sub-transmission Charge | Distribution Charge | Overheads | Pass through Costs | Fixed Charge per Day | Variable Charge per Day MWh Purchases |
|--|--------|-----------------------|-------------------|-------------------------|---------------------|-----------|--------------------|----------------------|---------------------------------------|
| Residential | | | | | | | | | |
| Residential (8kVA 1 Phase) - All Peak * | ND08P | 35 | \$4,538 | \$1,919 | \$7,613 | \$3,392 | \$1,895 | \$0.6619 | \$70.51 |
| Residential (8kVA 1 Phase) - With Off Peak * | ND08Q | 88 | \$9,494 | \$3,799 | \$16,385 | \$8,528 | \$4,360 | \$0.4605 | \$70.51 |
| Standard Residential (20kVA 1 Phase) - All Peak | ND20P | 1114 | \$288,873 | \$113,992 | \$485,464 | \$107,954 | \$91,873 | \$1.2231 | \$70.51 |
| Standard Residential (20kVA 1 Phase) - With Off Peak | ND20Q | 7459 | \$1,609,495 | \$633,706 | \$2,778,356 | \$722,824 | \$550,990 | \$0.8494 | \$70.51 |
| Residential Low User (20kVA 1 Phase) - All Peak | NDL20P | 764 | \$153,354 | \$67,613 | \$277,129 | \$74,036 | \$55,930 | \$0.1500 | \$109.19 |
| Residential Low User (20kVA 1 Phase) - With Off Peak | NDL20Q | 5382 | \$904,076 | \$338,515 | \$1,669,311 | \$521,550 | \$349,138 | \$0.1000 | \$109.19 |
| Residential Low User (8kVA 1 Phase) - All Peak* | NDL08P | 22 | \$2,709 | \$2,519 | \$4,465 | \$2,132 | \$1,297 | \$0.1500 | \$89.11 |

| Capacity | Code | Number of Connections | Transpower Charge | Sub-transmission Charge | Distribution Charge | Overheads | Pass through Costs | Fixed Charge per Day | Variable Charge per Day MWh Purchases |
|--|--------|-----------------------|-------------------|-------------------------|---------------------|-----------|--------------------|----------------------|---------------------------------------|
| Residential Low User (8kVA 1 Phase) - With Off Peak* | NDL08Q | 104 | \$10,671 | \$8,262 | \$18,316 | \$10,078 | \$5,444 | \$0.1000 | \$89.11 |
| General Single Phase | | | | | | | | | |
| Street Lights (1 Phase) per street light | NS001L | 5082 | \$49,421 | \$20,714 | \$90,218 | \$194 | \$11,879 | \$0.1014 | \$70.51 |
| 1 kVA 1 Phase - All Peak | NS001P | 48 | \$6,947 | \$2,406 | \$7,767 | \$4,652 | \$2,289 | \$0.4749 | \$70.51 |
| 8 kVA 1 Phase - All Peak | NS008P | 167 | \$21,653 | \$8,337 | \$36,409 | \$16,183 | \$8,962 | \$0.6619 | \$70.51 |
| 8 kVA 1 Phase - With Off Peak | NS008Q | 9 | \$971 | \$321 | \$1,681 | \$872 | \$439 | \$0.4605 | \$70.51 |
| 20 kVA 1 Phase - All Peak | NS020P | 283 | \$73,385 | \$31,887 | \$123,027 | \$27,424 | \$23,620 | \$1.2231 | \$70.51 |
| 20 kVA 1 Phase - With Off Peak | NS020Q | 87 | \$18,773 | \$6,471 | \$32,477 | \$8,431 | \$6,336 | \$0.8494 | \$70.51 |
| General Three Phase | | | | | | | | | |
| 15 kVA 3 Phase - All Peak | NT015P | 66 | \$16,045 | \$6,306 | \$26,967 | \$6,396 | \$5,204 | \$1.0225 | \$70.51 |

| Capacity | Code | Number of Connections | Transpower Charge | Sub-transmission Charge | Distribution Charge | Overheads | Pass through Costs | Fixed Charge per Day | Variable Charge per Day MWh Purchases |
|---------------------------------|--------|-----------------------|-------------------|-------------------------|---------------------|-----------|--------------------|----------------------|---------------------------------------|
| 15 kVA 3 Phase - With Off Peak | NT015Q | 9 | \$1,821 | \$849 | \$3,133 | \$872 | \$650 | \$0.6619 | \$70.51 |
| 30 kVA 3 Phase - All Peak | NT030P | 550 | \$263,983 | \$105,160 | \$432,772 | \$53,298 | \$71,161 | \$1.7127 | \$70.51 |
| 30 kVA 3 Phase - With Off Peak | NT030Q | 118 | \$47,313 | \$18,969 | \$79,274 | \$11,435 | \$13,437 | \$1.1657 | \$70.51 |
| 50 kVA 3 Phase - All Peak | NT050P | 320 | \$346,392 | \$130,355 | \$507,620 | \$31,010 | \$76,059 | \$3.4971 | \$70.51 |
| 50 kVA 3 Phase - With Off Peak | NT050Q | 67 | \$60,433 | \$24,576 | \$90,721 | \$6,493 | \$13,976 | \$2.3746 | \$70.51 |
| 75 kVA 3 Phase - All Peak | NT075P | 117 | \$215,775 | \$86,892 | \$293,299 | \$11,338 | \$43,477 | \$7.1813 | \$70.51 |
| 75 kVA 3 Phase - With Off Peak | NT075Q | 15 | \$23,109 | \$9,732 | \$32,111 | \$1,454 | \$4,838 | \$5.2242 | \$70.51 |
| 100 kVA 3 Phase - All Peak | NT100P | 65 | \$190,856 | \$69,919 | \$188,660 | \$6,299 | \$29,204 | \$8.7354 | \$70.51 |
| 100 kVA 3 Phase - With Off Peak | NT100Q | 7 | \$17,170 | \$8,900 | \$17,313 | \$678 | \$2,971 | \$6.3323 | \$70.51 |