



Network Tasman

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Line Charge Discounts – August 2011

Frequently Asked Questions (FAQs)

Overview

As consumer owned electricity distributor, Network Tasman (NTL) has credited line charge discounts onto consumers' power bills every year since 1994.

NTL intends providing another discount to its consumers in August / September 2011.

Under existing contractual arrangements, electricity retailers are obliged to credit the line charge discount onto consumer power bills on behalf of Network Tasman Limited.

Sales Discount Schedule for July 2011 Discount		
Customer Group	Basis of Discount Calculation	Discount Credited
Group 1 & 2 Consumers	Annual units (kWh) metered x 2.066 c/kWh (GST incl)	August-Sept 2011
Group 3 Consumers	Calculated based on both kWh and Anytime kVA line revenue	August-Sept 2011
Group 6 Consumers	Calculated as percentage of fixed line charge	August-Sept 2011

Frequently Asked Questions	Network Tasman's Answer
How do I know if I am eligible for the discount?	To be eligible you must have an active, metered connection to Network Tasman's electricity distribution network as at midnight 27 July 2011 and you must be the account holder responsible for paying the line charge for that connection. Your network connection (ICP) must be metered; no discounts are provided for unmetered ICP's such as phone boxes, temporary boxes, streetlights and electric fence connections.
How will the discount be paid?	Network Tasman provides your discount to your electricity retailer (Contact, Meridian, TrustPower etc) who will credit the amount, in full, onto your power account in August or early September 2011. The discount will be clearly identified on your power account with the words " <i>NETWORK TASMAN LINE CHARGE DISCOUNT</i> ".
As an eligible consumer, how much discount will I be credited with?	Group 1 or 2 consumers will receive a discount of 2.066 cents (GST incl) per kWh of annual consumption. The consumption used to calculate your discount is the total number of units (kWh) recorded on the electricity meters at your connection (ICP) over the 12 months ending 27 July 2011. For example if your connection has been billed for 8,000 kWh over the 12 month period, then your discount will be \$165 (GST inclusive). ie 8,000 x \$0.02066.
Compared to previous years, is Network Tasman providing a similar overall discount payout?	Network Tasman has <u>increased</u> the total discount payout in 2011 compared to 2010 by 4.7% or \$338,000. The total discounts credited by NTL in August / September 2011 will be about \$7.52million (GST inclusive).
How does Network Tasman determine my annual electricity consumption?	Your electricity retailer supplies Network Tasman with the annual consumption data (kWh usage) recorded on your meters and billed to your ICP for the 12 months to 27 July 2011. This information is used as the basis for calculating your discount credit.

Frequently Asked Questions	Network Tasman's Answer
How can I find out what is my annual consumption level used for calculating my discount?	Your annual consumption used in calculation of your discount relates to the specific ICP number shown on your power account. By going to the "Consumers / line charge discount" section on NTL's website at www.networktasman.co.nz , and entering in your ICP number(s) you can view your discount and the annual consumption (kWh) data used to calculate your discount. This data will be made available on or just after the 8th August 2011. The website also enables you to view your discount information from prior years. If you do not have access to the internet, call Network Tasman on 0800 508 098 to obtain the details you require.
Is there a maximum or a minimum discount amount for any consumer?	There is no maximum or cap on the discount amount that an individual consumer may receive. The minimum discount is \$5.00 for eligible consumers with very low levels of consumption.
I know I am eligible for a discount, but when will I receive it?	The discounts will appear as a credit on your power account sometime between the 6th August and mid September 2011. The exact date will depend on when your account is scheduled to be mailed out in your retailer's monthly billing cycle.
Can I have a cheque instead of a credit on my power account?	No, the discount is a credit applied against the line charge component of your power account and it is not a cash distribution. Network Tasman does not pay discounts out by cheque.
What shall I do if the discount credit does not appear on my August or September power account and I think I am eligible?	Contact your electricity retailer or call Network Tasman on 0800 508 098.
If I own multiple properties or have more than one connection to my property - will they each receive a discount?	You will receive a discount for each <i>separate eligible supply point (ICP)</i> for your property (or properties) provided you are the person responsible for the power bills at each connection point. ie, if you receive separate power billings for each connection (ICP) then you should also receive a discount for each of those ICP's.
I am a landlord and currently have tenants in my property, but I haven't received the discount?	The discount will always be credited to the person who, as at 27 July 2011, has their name on the power account for the particular ICP concerned. Normally this will be the tenant of the property if they are the party responsible for paying the monthly power bills.
If I have switched retailers during the year, will I still receive a discount?	Yes. It does not matter who your retailer is because the discount comes from your local distributor, Network Tasman, and it must be passed on to you through your current retailer. Network Tasman will calculate your discount taking into account the consumption history for your ICP supplied by both your old and your new retailer.
I have recently moved into my current property, so do I get a discount based on the consumption (kWh) I have been billed since I have been here as well as at my previous address?	Network Tasman will attempt to combine your consumption metered at your current connection (ICP) and at your previous connection (ICP) provided <ul style="list-style-type: none"> • your previous ICP was also connected to NTL's network • information is provided for both your new and old ICP by your retailer. If you have any concerns we suggest you call Network Tasman on 0800 508 098 and discuss your circumstances with us. Where a consumer has no consumption history with NTL and moves into an existing property connected to NTL's network during the year ending 27 July 2011; their discount may be based, in some part, on the kWh usage of whoever may have been billed at that connection prior to them moving in.
I have just recently sold my property in the Network Tasman area and have been staying with family until my new home is finished. I have been a Tasman consumer for several years and will be again shortly. I moved out prior to 27 July 2011, why do I not get a discount or a portion of the discount?	To meet the eligibility criteria, you must have an active, metered connection (ICP) to our network and be responsible for paying a line charge at the cut-off date, which this year is 27 July 2011. We suggest you make apportionment arrangements for discounts in your purchase and sale agreement, the same way you would for rates, when you sell your property. NTL has no way of tracing all persons shifting locations and our discounts are determined on the basis the existing connections (ICP's) at a point in time. However we suggest you call Network Tasman on 0800 508 098 to discuss your circumstances.

Frequently Asked Questions	Network Tasman's Answer
<p>Why don't we all just get a \$150 discount like we used to?</p>	<p>The introduction of low user regulations by government forced Network Tasman to change both its line pricing structure and the way discounts are determined. As a consequence Network Tasman reduced its fixed daily line charge from \$165 pa. down to \$55pa (15 cents per day) for most consumers on 1 April 2005 and now relies primarily on consumption (kWh used) to obtain most of its line charge revenue. To comply with the regulations and to ensure fairness and consistency between all small/medium consumers, it became necessary for Network Tasman to base its line charge discounts on annual consumption (kWhs used). Continuing with the flat discount of \$150 after 2005 would have been unfair as quite a number of small users would have received more in discounts than they actually paid in line charges.</p>
<p>My discount is less than the amount I received in last year. Is this the same for everyone?</p>	<p>Because discounts are calculated on the annual consumption / usage recorded at each connection point, there will be noticeable variability between different consumers and levels will also differ from year to year for a given consumer. Network Tasman acknowledges that some consumers may receive a lower discount than in previous years; however other consumers will receive more. This is a direct consequence of using consumption based discounts in order to comply with governments low user tariff regulations.</p>
<p>Where do I go to find out more information about the discount?</p>	<p>You can call Network Tasman on 0800 508 098 or visit our website on www.networktasman.co.nz or email us at info@networktasman.co.nz.</p>