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Network Discounts – 2018/2019

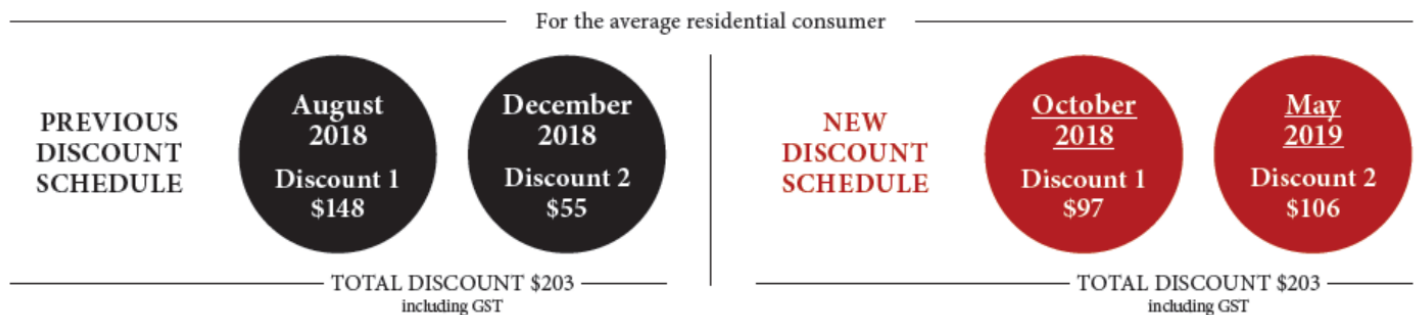
Frequently Asked Questions (FAQs)

Overview

Network Tasman (NTL), as a consumer-owned electricity distributor, has credited network discounts onto its consumers' power bills every year since 1994.

NTL's total forecast network discount for 2018/2019 is \$12.3m (including GST). In 2017/2018, \$12.0m (including GST) was provided to consumers.

Network Tasman provides two discounts for each pricing year (ie, for the 12 months commencing 1 April). This year there has been a change to the timing of the discount. The first discount for the 2018/2019 pricing year will be provided in September or October 2018. The second discount for the 2018/2019 pricing year will be provided in April or May 2019.



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

	Frequently Asked Questions	Network Tasman's Answer
1.	How do I know if I am eligible for the discount?	<p>To be eligible you must have an active, metered connection to Network Tasman's electricity distribution network as at midnight on a specific eligibility date. These dates are announced closer to the time of the discount via print advertisements and on the Network Tasman website.</p> <p>To receive the discount, you must be the account holder responsible for paying the line charge for that connection.</p>

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		Your network connection (ICP) must be metered. No discounts are provided for unmetered ICPs such as phone boxes, temporary boxes, streetlights and electric fence connections.
2.	How will the discount be paid?	<p>Network Tasman provides your discount to your electricity retailer who will credit the amount, in full.</p> <p>The discount will be clearly identified on your power account with the words:</p> <p><i>"NETWORK TASMAN LINE CHARGE DISCOUNT"</i>.</p>
3.	As an eligible consumer, how much will my discount credited be?	<p>Group 1 and 2 consumers (which account for 99% of connections) will receive a discount of 2.99 cents (GST incl) per kWh of consumption. Discount rates for all eligible connections are set out in NTL's Network Pricing Schedule (http://www.networktasman.co.nz/network-pricing)</p> <p>The electricity consumption used to calculate your first 2018/19 discount is the total unit (kWh) consumption reported to Network Tasman by the electricity retailer at your connection (ICP) for the period 1 April 2018 to 31 August 2018.</p> <p>For example if your connection has been billed for 3,200 kWh over that 5 month period, then your discount will be \$95.68 (GST inclusive). ie $3,200 \times \\$0.0299$.</p> <p>The electricity consumption used to calculate your second 2018/19 discount is the total unit (kWh) consumption reported to Network Tasman by the electricity retailer at your connection (ICP) for the period 1 September 2018 to 31 March 2019.</p>
4.	Why is Network Tasman changing the timing of the discounts?	<p>It has been necessary to change the timing after assessing the impacts of the revised interpretation by the IRD of how electricity network discounts are treated from a taxation perspective. The IRD's final interpretation in 2017 identified a range of different discount structures and clarified what the tax treatment of each structure would be in future. It identified that under the discount structure NTL has previously used, discount payments in future would effectively be subject to tax. To optimise the discount payment to consumers we have opted to switch to an alternative structure which will not change the tax impact, but this does require a change to the timing of our discounts.</p> <p>Importantly, the end result is that the amount of discount provided to consumers will not be affected.</p>
5.	How does Network Tasman determine my annual electricity consumption?	<p>Your electricity retailer supplies Network Tasman with the consumption data (kWh usage) based on meter readings at your connection (ICP).</p> <p>This information is used as the basis for calculating your discount credit.</p>
6.	How can I find out my annual consumption level used for calculating my discount?	<p>Your consumption used in calculation of your discount relates to the specific <u>ICP number</u> shown on your power account eg 0000045362NT38C.</p> <p>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 consumption (kWh) data used to calculate your discount. The new data for the first 2018/2019 discount will be made available on or just after the 30th September 2018.</p>

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		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.
7.	Is there a maximum or a minimum discount amount for any consumer?	There is no maximum or minimum on the discount amount that an individual consumer may receive.
8.	I know I am eligible for a discount, but when will I receive it?	The first discount will appear as a credit on your power account sometime between mid-September and mid-October 2018. The exact date will depend on when your account is scheduled for delivery from your retailer's monthly billing cycle.
9.	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.
10.	What shall I do if the discount credit does not appear on my September or October 2018 power account and I think I am eligible?	Contact your electricity retailer or call Network Tasman on 0800 508 098.
11.	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 separate discount for each of those connections.
12.	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 has their name on the power account as at the eligibility date for the particular connection concerned. Normally this will be the tenant of the property if they are the party responsible for paying the monthly power bills.
13.	If I have switched retailers during the year, will I still receive a discount?	Yes. It does not matter who your retailer is, or if you have changed retailers, because the discount comes from your local distributor, Network Tasman, and it must be passed on to you by your current retailer.
14.	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?	The discount will be based on the consumption of the connection that is in your name as at the cut-off date, and credited to your account, assuming it is eligible on the eligibility date. Consumers often move from one connection to another, and also change retailers. It is impractical to track previous addresses and retailers.
15.	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 the eligibility date, 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. 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 persons shifting locations and our discounts are determined on the basis of the existing billable connections (ICPs) at a point in time. However we suggest you call Network Tasman on 0800 508 098 to discuss your circumstances.

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16.	My discount is less than the amount I received in last year. Is this the same for everyone?	<p>Because discounts are calculated on the consumption / kWh used at the connection point reported to Network Tasman by retailers, there will be noticeable variability between different consumers and levels will differ from year to year for a given consumer.</p> <p>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 however; overall, NTL has increased the discount by an estimated \$300,000 compared to last year.</p>
17.	Where do I go to find out more information about the discount?	<p>You can contact Network Tasman on:</p> <ul style="list-style-type: none"> • Free Phone 0800 508 098 • Visit our website at www.networktasman.co.nz or • Email us at info@networktasman.co.nz.