

Discount Methodology Disclosure 2025

Purpose

The purpose of this disclosure is to set out the allocation methodology used by WEL Networks Ltd (WEL) for its 2024/25 discount to customers. The Commerce Commission have previously acknowledged WEL's view that the discount provided to customers is not a Financial Distribution under section 2.4.23 of the Electricity Distribution Information Disclosure Determination 2012 (ID Requirements) made under the Commerce Act 1986. WEL is making this disclosure as it believes by doing so it meets the general intent of the ID Requirements to maintain transparency about customer discount payments.

Definitions

Active Connection	A lived-in connection to the network that is not vacant
ICP	Installation Control Point – a unique point of connection for every site connected to WEL's network e.g. a home or business

Setting the Discount

WEL released in advance its total payable discount in its Price Schedule which was publically disclosed in February 2024. The total amount available for distribution for 2024/25 was \$12.625m (excl. GST).

Allocating the Discount

The discount applies to all of WEL's ICPs. To qualify, customers must have an active connection to the WEL network at 5pm on 31 March 2025. The discount is applicable to the ICP for the 12-month period ending on 23:59 of 28 February 2025. The payment will only be made if the customer is able to be located by the retailer or WEL on or before 30 June 2025. The discount amount is normally paid to the retailers and the retailers credit the discount to the current account holder for each ICP.

The discount for each qualifying ICP is calculated as:

1. 15.82% proportion of the total line charges attributed to the ICP between the period 1 March 2024 to 28 February 2025; and
2. Up to a maximum discount payment of \$200 (excl. GST) per ICP.

The lines charges attributed to the ICP are irrespective of whether the current account holder had been associated with the ICP over the 12 month period. Customers who are the account holder for more than one ICP will receive a discount for each ICP.

Timeframe

WEL aims to complete the final allocation process and return details to each retailer of the discount amount for each ICP within 2 working days of 1 April 2025. The discount should appear as a credit on each power bill of the electricity account holder during April or early May 2025.

