

# UNISON'S OPTIONAL TIME-OF-USE PRICING

## FAQs

From 1 April 2017, Unison is extending eligibility for its existing time-of-use (TOU) pricing plan to allow all electricity retailers to offer this plan to all residential consumers.

This delivery pricing is to encourage people to use less power during peak times.

Some consumers will benefit from TOU pricing. However, it's really important you understand how and when you use electricity throughout the day before taking up a TOU pricing plan from your retailer.

Please note, these questions and answers relate only to the delivery component of

your electricity bill. It will be up to retailers how they reflect our delivery pricing in your bill. Retailers may package our prices in different ways to suit customer needs.

### 1) WHAT IS TIME-OF-USE PRICING?

TOU pricing takes advantage of newer meters that are being rolled-out across our network and measure how much electricity is used at different times of the day.

With TOU pricing, prices vary according to when electricity is used; unlike current prices which remain the same over the course of a day. You pay a lower price for using electricity at off-peak times (midday for example) and a higher price for using it in the morning and evening peaks when electricity use is heavy – when most people are cooking meals, using their heating or air conditioning, for example.

### 2) HOW WILL THE TOU PRICING WORK?

Unison will charge retailers two different prices, peak and off-peak.

**Peak period:** 7am to 11am and 5pm to 9pm, all days

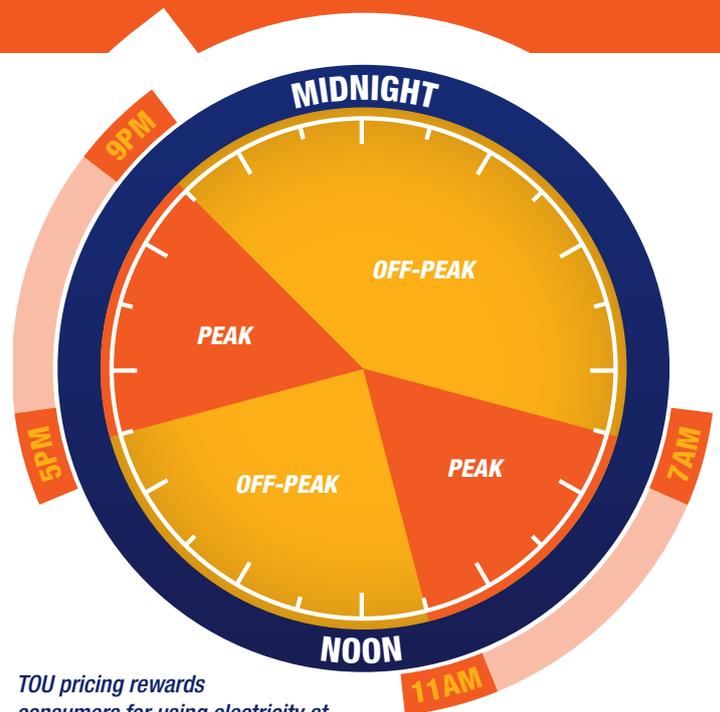
**Off-peak:** All other periods.

The difference between peak and off-peak delivery prices will be between 13c and 18c depending on which plan you elect to go on, although retailers are free to vary from these prices. Full details of our delivery pricing to retailers will be available on our website from mid-February.

### 3) WHY IS UNISON INTRODUCING TOU PRICING?

We are introducing the time-of-use price category for consumers that have TOU meters and who want more flexibility and control over how they manage and pay for their electricity.

Current prices do not show consumers the value of using the network at different times, while TOU pricing rewards consumers for using electricity at times when demand on the network is lower. This is because the cost



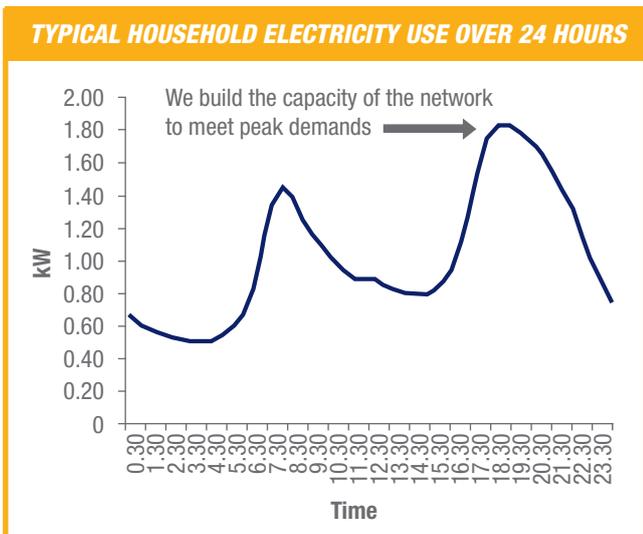
*TOU pricing rewards consumers for using electricity at times when demand on the network is lowest (off-peak).*

of providing a lines service is driven by the size of the equipment needed to deliver the electricity. The more electricity people use at the same time, the bigger the power lines and electrical equipment needs to be.

If consumers switch some of their discretionary demands to off-peak times, Unison can reduce the amount it spends on upgrading the  
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infrastructure and equipment we need to use, and the less overall we need to charge consumers to recover our costs over the longer term.

Other electricity distributors like Unison have also introduced similar time-of-use plans. For example, Vector, Waipa Networks and WEL Networks.

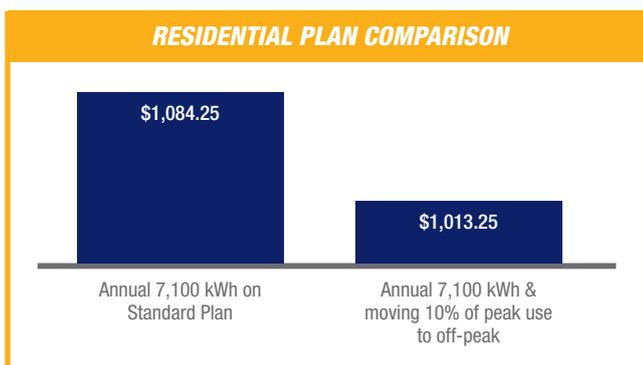


**4) WHO WILL BENEFIT FROM TOU NETWORK PRICING? WHAT WILL THE IMPACT BE ON MY ELECTRICITY BILL?**

The following consumers will benefit:

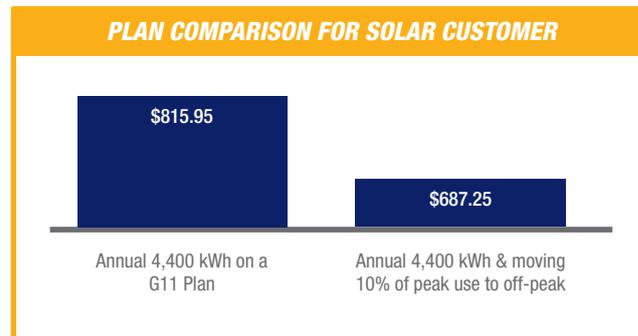
- those who don't currently use a lot of electricity during peak times
- those who are able to shift their energy use to off-peak times, and
- consumers with solar who are currently on the distributed generation solar price category (if they can shift more of their consumption to off-peak times when the panels are producing most).

Assuming full retailer pass-through of our delivery prices, the following graph shows a typical residential consumer on a standard plan (who uses around 45 percent of their power during peak times). They can save around \$70 per year with TOU by shifting 10 percent of their peak consumption into off-peak times.



**WANT TO KNOW MORE?** TOU pricing is a further step towards Unison setting more service-based and cost-reflective pricing, which is being encouraged by the Electricity Authority across the industry. As the future of electricity pricing is decided, it is important for electricity consumers to have their say and share their views. At Unison, we want to be sure we understand what's

The below graph shows a typical customer with solar panels on the distributed generation (DG) price plan, who uses around 50 percent of their power during peak times. They could save over \$120 in their line charges per year by changing to the TOU plan if they shift 10 percent of their peak consumption into off-peak times.



Please note that these examples are based on an average customer and assume that Unison's delivery prices are reflected in retail electricity prices.

The charts above exclude the energy and retail components of your electricity charges.

It's really important you understand how and when you use electricity throughout the day before taking up a TOU pricing plan from your retailer.

**5) WHEN CAN I TAKE THIS OPTION UP?**

Unison's prices are included in electricity retailers' bills. It will be up to retailers how they reflect our delivery pricing in your bill. Retailers may package our prices in different ways to suit customer needs.

There are a large number of retailers in the New Zealand market, many with innovative product offerings. We hope to see some retailers offer the new prices to consumers from April 2017.

Increasingly more retailers will offer this type of pricing as time-of-use meters continue to be rolled out across the country.

**6) WHAT CAN I DO TO REDUCE MY PEAK POWER USAGE?**

Shift less time-sensitive electricity use to off-peak times at night or during the middle of the day. For example, put dishwashers, washing machines or dryers on timers to come on at off-peak times.

If your hot-water heating is electric, you can have a timer installed if it is not on a separately metered controlled price plan (where Unison can turn off the heating for short periods without affecting the amount of hot water you have). If you're unsure whether your hot water is controlled, ring your retailer who should be able to tell you.

important to consumers, so we will be inviting you to have your say during the coming year. If you are interested in receiving information and/or taking part in customer research and focus groups, please email [future.pricing@unison.co.nz](mailto:future.pricing@unison.co.nz)