

Unison Price Change FAQ's – 2017

Please note that your electricity retailer sets the final price for consumers. Unison charges the retailer of electricity distribution, and it is up to the retailer what amount they pass on to you, the customer. These questions and answers have been developed to provide general background information on our price changes.

Question	Answer
How are Unison's prices changing in 2017/18?	<p>This year Unison will be raising average overall line charges by 0.6 percent from 1 April 2017. The main contribution to the price increase is the pass-through of Transpower's costs.</p> <p>Unison is also opening up its optional time-of-use (TOU) pricing plans from 1 April 2017 so that electricity retailers can offer TOU pricing to all customers on Unison's network.</p>
How much are Unison's residential delivery charges increasing by?	<p>Hawkes' Bay increase – an overall average increase of 1.7 percent. For an average household using around 8,000 kWh's per year, charges will increase by \$1.33 per month if retailers pass this on in full.</p> <p>Rotorua and Taupo increase – an overall average increase of 0.8 percent. For an average household using around 8,000 kWh's per year, charges will increase by \$0.66 per month if retailers pass this on in full.</p>
Why does the increase vary between HB, Taupo and Rotorua?	<p>As required by the Commerce Commission, each region's pricing is assessed independently to ensure no one region subsidises another.</p>
Why are the transmission charges increasing?	<p>Unison pays the national grid operator, Transpower, to deliver electricity to our distribution networks over the national grid. Transpower recovers its costs to distribute electricity to the regions by setting charges based on the amount of equipment Transpower needs to provide for our network and the previous year's 'peak demand' behaviour. Peak demand is measured by the top 100 peak demands occurring during the previous year.</p> <p>Unison can't control the level of these costs so the Commerce Commission has allowed lines companies (Unison) to pass these Transpower charges straight through to retailers who, in turn, bill the customer.</p>
What portion of my total electricity monthly account represents the Unison (Network) component?	<p>This can vary depending on the individual customer's electricity usage patterns. However, on average, for a low user residential customer, the total network component including transmission charges would represent about 48 percent of a customer's total monthly electricity account, of which approximately 14 percent is Transpower's costs.</p>
How is the Commerce Commission involved?	<p>Because Unison is the sole provider of electricity network services, its prices are regulated by the Commerce Commission. Their legislative objective is to promote the long-term benefits of consumers by ensuring that regulated lines companies have incentives to invest and innovate, provide a quality of service to consumers, and are limited in their ability to earn excessive profits.</p> <p>In 2012, the Commerce Commission issued its 'Price-Quality Path' ruling, which specifies the level of prices Unison requires to be a sustainable business in line with these objectives, through to 2020.</p> <p>The Commerce Commission also sets specific targets for Unison's network reliability.</p>

<p>Will Unison use the price increases to improve the reliability and security of my electricity supply?</p>	<p>Yes. Unison continues to make significant investments within its network, delivering improved reliability and security of supply to our customers through our Smart Network strategy. The changes in Unison's prices will ensure that Unison can maintain the current levels of service for its consumers.</p>
<p>I am a large commercial consumer on Unison's network, how will I be affected by these price changes?</p>	<p>Unison continues to refine its commercial prices to better reflect electricity demand and utilisation of Unison's distribution assets. For further information, please contact Unison Relationship Manager Danny Gough, on 06 873 9361 to discuss what impact this may have on your business electricity costs.</p>
<p>Is this price increase to help offset costs associated with your other (Fibre/Contracting) businesses?</p>	<p>No – UnisonFibre and Unison Contracting are separate business entities with separate profit and loss sheets. As such, their financial performance is not linked to Unison Networks.</p> <p>In setting Unison's default price path, the Commerce Commission excludes activities that are not electricity distribution.</p>
<p>How do Unison's charges compare with other lines companies?</p>	<p>It is difficult to compare charges between lines companies because local factors affect our costs. A high density network, like Vector in Auckland, will typically be cheaper because they have more customers per kilometer to share the costs over. Whereas, a lower density network like Buller Electricity which serves West Coast of the South Island, will always have higher costs because there are fewer customers per kilometer of lines.</p> <p>There are other factors at play too, like how much electricity is used per customer, and what level of reliability is provided by the network for example. Accordingly, only broad comparisons can be drawn.</p>
<p>Will the dividend increase to Hawke's Bay consumers?</p>	<p>Dividend pay-outs are determined by the Hawke's Bay Power Consumers Trust, which owns Unison Networks.</p> <p>Each year Unison pays out a dividend to the Trust, which, in turn, is available to the Trust for distribution to its shareholders, the electricity customers of Hawke's Bay.</p> <p>Unison's Statement of Corporate Intent sets out a commitment to sustainably increasing the level of dividend consistent with the investment in the network. The Trust may choose to use some of this payment to invest in projects such as undergrounding of electricity cables.</p> <p>The remainder of the profits retained by Unison are used to re-invest in the network.</p>
<p>What can people do to reduce the impact of increases in electricity prices?</p>	<p>It is important for consumers to shop around for the best deal from the electricity retailers. There can be a significant difference between the cheapest retailer and the most expensive in Hawke's Bay, Taupo and Rotorua. It is now very easy to switch electricity suppliers and the process is normally completed in less than 10 days. Consumers can find out more information by accessing http://www.whatsmynumber.co.nz or http://www.powerswitch.co.nz.</p> <p>Local budget advisors and Citizens Advice Bureau can also help consumers to work out how to switch to cheaper electricity providers or make sure they are on the right pricing plan. EECA's Energywise website is full of practical information, advice and tools to help consumers be more energy efficient. Making sure hot water cylinders are well insulated and on a 'controlled-rate' price category can make a significant difference to power bills.</p>