

New line pricing from 1 April 2021

Overview

Network Tasman made some changes to its prices from 1 April 2021. Our prices cover the cost of our local lines network and using the national grid. These prices are used to charge electricity retailers. Electricity retailers determine how to pass on our charges together with their own energy, metering and other retail costs when setting the retail prices that appear in your power account.

There are two components to our price changes. Firstly, our bill for using the national grid has risen and we need to pass on this cost through to consumers. The other portion relates to our own local network – last year we reduced prices slightly, but this year we need to increase prices to cover increased operational and regulatory costs.

The extent to which our price changes affect you ultimately depends on how your retailer packages our charges together with the other charges that make up your power bill, and of course your own pattern of electricity use and consumption level.

We encourage all consumers to call their electricity retailer if they are unsure whether they are on the correct plan for them. Connections that are at a primary place of residence and use less than 8,000kWh per year should be on a low-user plan and all other consumers should be on a standard plan.

FAQs

Will my power bill go up?

Most customers will have an increase in their network charges, and typically retailers pass on any changes in Network Tasman's charges. Some customers connected to our network will notice an increase in the fixed daily charge as well as the kWh rates.

Will Network Tasman earn more money as a result of these changes?

Our total revenue will increase as a result of these changes. However, this is as a result of needing to recover increased costs.

Will these changes affect the discounts that Network Tasman provides?

To a degree, yes. Overall, the total value of discounts that we give back to our consumers will increase, but the amount each individual consumer will receive may change.

The discount rates vary depending on which price plans you have, eg Anytime & Controlled or Anytime & Night plan.

Are Network Tasman's revenues regulated?

Yes.

The revenue that Network Tasman can earn from lines charges are limited by the Commerce Commission. We forecast our revenue from 1 April 2021 to be significantly below our price limit.

Network Tasman is also subject to oversight by the Electricity Authority, which has responsibility for the pricing methodologies used by lines companies to set their prices. The price changes that

Network Tasman is making are consistent with recent direction provided by the Electricity Authority about improvements that lines companies should be making to their price structures.

Will these changes mean my electricity supply is less reliable?

No.

We are primarily reducing our prices because the cost of using the national grid for the 2021-22 year has risen along with some operational and regulatory costs. We are continuing to prudently invest in maintaining and improving the safety, reliability, and capacity of our core electricity network.

Click [here](#) for information on the level of our prices.