

**HORIZON ENERGY DISTRIBUTION LIMITED**

**Default Price-Quality Path**

**Annual Price Setting Compliance Statement**

**1 April 2021 – 31 March 2022 Assessment Period**

**29 January 2021**

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## 1. Introduction

Horizon Energy Distribution Limited (“Horizon Networks”) is subject to price-quality regulation under Part 4 of the Commerce Act 1986. The Commerce Commission has set a Default Price-Quality Path (DPP) which applies to Horizon Networks from 1 April 2020.

This price-setting compliance statement is published in accordance with clause 11.1 of the 2020 DPP Determination, and applies to the second assessment period, commencing 1 April 2021 and ending 31 March 2022.

## 2. Date prepared

This statement was prepared on 29 January 2021.

## 3. Statement of compliance

As demonstrated in Table 1 below, and consistent with clause 8.3 of the 2020 DPP Determination Horizon Networks has complied with the price path for the second assessment period.

**Table 1**

<b>Compliance with price path RY22</b>		
<i>Forecast revenue from prices must not exceed the lesser of: (a) the forecast allowable revenue for that assessment period; and (b) the amount determined in accordance with the following formula: the forecast revenue from prices for the previous assessment period x (1 + limit on annual percentage increase in forecast revenue from prices).</i>		
Term	Description	Value (\$000)
Forecast revenue from prices (\$000)	<i>Forecast prices between 1 April 2021 and 31 March 2022 multiplied by forecast quantities for the period ending 31 March 2022</i>	33,135
Forecast allowable revenue (\$000)	<i>The sum of forecast net allowable revenue, forecast pass-through and recoverable costs, opening wash-up account balance and the pass-through balance allowance</i>	33,135
Maximum allowable forecast revenue from prices (\$000)	<i>Forecast revenue from prices for the previous assessment period x (1 + limit on annual percentage increase in forecast revenue from prices)</i>	34,109
Maximum allowable forecast revenue (\$000)	<i>The lesser of the forecast allowable revenue and maximum allowable forecast revenue from prices</i>	33,135
<b>Compliance result</b>	<i>Forecast revenue from prices ≤ forecast allowable revenue and maximum allowable forecast revenue from prices</i>	<b>Compliant</b>

Further information supporting forecast allowable revenue is included in Section 5 and Appendix A.

Further information supporting forecast revenue from prices is included in Section 6 and Appendix B.

Further information supporting maximum allowable forecast revenue is included in Section 7.

#### 4. Director’s certification

A Director’s certificate in the form set out in Schedule 6 of the 2020 DPP Determination is included as Appendix C.

#### 5. Forecast allowable revenue

Table 2 shows the derivation of forecast allowable revenue, consistent with the requirements of Schedule 1.5 of the 2020 DPP Determination.

**Table 2**

<b>Forecast allowable revenue RY22</b>		
<b>Term</b>	<b>Description</b>	<b>Value (\$000)</b>
Forecast net allowable revenue	<i>Forecast net allowable revenue as set out in Table 1.4.1 in Schedule 1.4 for the period ending 31 March 2022</i>	24,378
Forecast pass through costs	<i>Forecast pass-through costs and forecast recoverable costs</i>	405
Forecast recoverable costs	<i>Forecast recoverable costs, excluding any recoverable cost that is a revenue wash-up drawn down amount</i>	8,321
Opening wash-up account balance	<i>The opening wash-up account balance for the second assessment period of the DPP regulatory period is nil as set out in Schedule 1.7 (1)(a)</i>	-
Pass-through balance allowance	<i>(ePTB - pass-through balance) x (67th percentile estimate of post-tax WACC)<sup>2</sup></i>	32
<b>Total</b>		<b>33,135</b>

Appendix A shows the components of the forecast pass-through and recoverable costs, and the pass-through balance allowance.

The methodology to derive the forecasts of the pass-through and recoverable costs is documented in Appendix A.

## 6. Forecast revenue from prices

Table 3 shows forecast revenue from prices.

**Table 3**

Forecast revenue from prices RY22		
Term	Description	Value (\$000)
$\Sigma P_{2021/22} * Q_{2021/22}$	<i>Forecast prices between 1 April 2021 and 31 March 2022 multiplied by forecast quantities for the period ending 31 March 2022</i>	33,135

Appendix B shows the components of forecast revenue from prices.

The methodology to forecast the quantities associated with each price is documented in Appendix B.

## 7. Maximum allowable forecast revenue from prices

Table 4 shows the maximum allowable forecast revenue from prices, consistent with the requirements of clause 8.4 of the 2020 DPP Determination.

**Table 4**

Maximum allowable forecast revenue from prices RY22		
Term	Description	Value (\$000)
Forecast revenue from prices from previous assessment period	<i>Forecast prices between 1 April 2020 and 31 March 2021 multiplied by forecast quantities for the period ending 31 March 2021</i>	31,008
Limit on annual percentage increase in forecast revenue from prices		10%
<b>Maximum allowable forecast revenue from prices</b>	<i>Forecast revenue from prices for the previous assessment period x (1 + limit on annual percentage increase in forecast revenue from prices)</i>	34,109

## Appendix A – Pass-through and recoverable costs

### *Forecast pass-through costs*

Table 5

Forecast Pass-through Costs RY22		
Forecast pass-through costs	\$000	Forecasting methodology
Rates on system fixed assets	222	Prior years rates + 2% average increase
Commerce Act levies	58	Prior year levies + 2% increase estimated
Electricity Authority levies	110	Prior year levies + 1.5% increase estimated
Utilities Disputes levies	15	Prior year levies + 2% increase estimated
<b>Total forecast pass-through costs</b>	<b>405</b>	

Forecasting for rates are based on historical costs plus expected CPI or growth adjustments.

**Forecast recoverable costs**

<b>Forecast Recoverable Costs RY22</b>		
Forecast recoverable costs	\$000	Forecasting methodology
IRIS incentive adjustment	726	As calculated IRIS for DPP3 Year 2
Transpower transmission charges	3,526	FY2021/22 new prices from Transpower Nov 2020
New investment contract charges	-	
System operator services charges	-	
Avoided transmission charges - purchased assets	731	FY2021/22 new prices from Transpower Nov 2020
Distributed generation allowance	3,169	FY2021/22 new prices from Transpower Nov 2020
Claw-back	-	
Catastrophic event allowance	-	
Extended reserves allowance	-	
Quality incentive adjustment	39	Incentive allowance from 31 March 2020
Capex wash-up adjustment	91	Capex wash-up adjustment calculated from forecast value of commissioned assets against actual value of commissioned assets
Transmission asset wash-up adjustment	-	
Reconsideration event allowance	-	
Quality standard variation engineers fee	-	
Urgent project allowance	-	
Revenue wash-up draw down amount	-	
Fire and emergency NZ levies	38	Prior year levies + CPI increase estimated
Innovation project allowance	-	
<b>Total forecast recoverable costs</b>	<b>8,321</b>	

***Pass-through balance allowance***

**Table 7**

<b>Pass-through balance allowance RY22</b>		
<b>Term</b>	<b>Description</b>	<b>Value (\$000)</b>
Pass-through balance	<i>Pass-through balance for the assessment period ending 31 March 2020</i>	(25)
ePTB	<i>An estimate of the pass-through balance as at 31 March 2020</i>	4
67th percentile estimate of post-tax WACC		4.23%
<b>Pass-through balance allowance</b>	<i>(ePTB - pass-through balance) x (67th percentile estimate of post-tax</i>	<b>32</b>



## Appendix B – Forecast prices and quantities

Table 8 shows the forecast prices and quantities for the forecast revenue from prices for the second assessment period.

**Table 8**

Forecast revenue from prices RY22				
Price Category	Unit	Unit price	Forecast quantity	Forecast revenue (\$000)
Low User Domestic - Urban	\$/kWh	0.10195	45,395,363	4,629
Low User Domestic - Urban	\$/ICP/day	0.15	8,716	477
Low User Domestic - Rural	\$/kWh	0.10195	23,037,846	2,349
Low User Domestic - Rural	\$/ICP/day	0.15	4,095	224
Standard User Domestic - Urban	\$/kWh	0.00729	36,107,331	263
Standard User Domestic - Urban	\$/ICP/day	2.22490	4,621	3,753
Standard User Domestic - Rural	\$/kWh	0.00729	34,366,962	251
Standard User Domestic - Rural	\$/ICP/day	2.22490	4,311	3,501
Under Verandah Lights	\$/day	0.85055	17	5
Electric Fences	\$/day	0.84582	9	3
Lanark	\$/month	-8.64	1	(0)
Street Lights	\$/light/month	5.71852	5,121	351
Telecom - PCM 24 Hour	\$/PCM/month	62.19361	57	43
Telecom - PCM Night	\$/PCM/month	27.83596	3	1
Capacity Group 2 - Urban	\$/kWh	0.04064	12,687,954	516
Capacity Group 2 - Urban	\$/ICP/day	2.18361	791	630
Capacity Group 2 - Rural	\$/kWh	0.06873	23,174,855	1,593
Capacity Group 2 - Rural	\$/ICP/day	3.43118	1,554	1,946
Capacity Group 3 - Urban	\$/kWh	0.04516	10,256,481	463
Capacity Group 3 - Urban	\$/ICP/day	5.83106	266	566
Capacity Group 3 - Rural	\$/kWh	0.05205	16,750,050	872
Capacity Group 3 - Rural	\$/ICP/day	9.15201	319	1,066
Capacity Group 4 - Urban	\$/kWh	0.05848	2,068,223	121
Capacity Group 4 - Urban	\$/ICP/day	12.54985	35	160
Capacity Group 4 - Rural	\$/kWh	0.06605	1,898,631	125
Capacity Group 4 - Rural	\$/ICP/day	14.23304	32	166
Capacity Group 5 - Urban	\$/kWh	0.05229	2,060,762	108
Capacity Group 5 - Urban	\$/kVA/day	0.10342	4,252	161
Capacity Group 5 - Rural	\$/kWh	0.09392	1,238,758	116
Capacity Group 5 - Rural	\$/kVA/day	0.11962	4,023	176
Network Maximum Demand - Variable	\$/kWh	0.02573	52,353,400	1,347
Network Maximum Demand - Capacity	\$/kVA/mth	1.95494	47,858	1,123
Network Maximum Demand - Demand	\$/kW/mth	5.43125	31,007	2,021
Major Industrial Non-Standard Customers				
Fonterra (BOPE)	\$/month	32,265	1	387
Fonterra Lipid & Distillery	\$/month	10,277	1	123
Asaleo Care (TP)	\$/month	75,274	1	903
Whakatane Mill (TP)	\$/month	118,357	1	1,420
Kaingaroa Timberlands (TP)	\$/month	22,093	1	265
CHH - Kawerau (TP)	\$/month	37,035	1	444
Norske Skog Oxidation Ponds (TP)	\$/month	14,044	1	169
Sequal Investments	\$/month	17,116	1	205
Kawerau Dairy Ltd	\$/month	5,872	1	70
Fonterra Assets	\$/month	1,250	1	15
GDL Breaker Contract	\$/month	585	1	7
BOPE TG1 & TG2	\$/month	-	1	-
<b>ΣP<sub>2021/22</sub>*Q<sub>2021/22</sub></b>				<b>33,135</b>

**Forecast Quantities for the assessment period 31 March 2022**

Horizon Networks considers the forecast quantities are reasonable. Forecast ICP's have decreased for the forecast numbers due to Horizon Networks only billing ICP's in an "Active" status for 2021/22 onwards.

	2018/2019	2019/2020	2020/2021	2021/2022
	Actual	Actual	Forecast	Forecast
<b>Retail ICPs</b>				
Low User	12,270	12,723	12,667	12,811
Standard Domestic	9,430	9,136	8,926	8,932
Capacity	3,181	3,169	3,044	3,041
Network maximum Demand	160	166	172	172
Special (UV, SL, EF, PG)	118	112	101	101
<b>Total</b>	<b>25,159</b>	<b>25,306</b>	<b>24,910</b>	<b>25,057</b>
<b>YoY Change</b>				
Low User		3.7%	-0.4%	1.1%
Standard Domestic		-3.1%	-2.3%	0.1%
Capacity		-0.4%	-3.9%	-0.1%
Network maximum Demand		3.8%	3.6%	0.0%
Special (UV, SL, EF, PG)		-5.1%	-9.8%	0.0%
<b>Total</b>		<b>0.6%</b>	<b>-1.6%</b>	<b>0.6%</b>
<b>Retail Consumption (Mwh)</b>				
Low User	63,461	67,301	67,790	68,433
Standard Domestic	69,281	71,719	71,362	70,474
Capacity	71,287	75,349	69,331	70,136
Network maximum Demand	52,765	53,952	51,780	52,353
Special (UV, SL, EF, PG)	2,204	2,235	2,261	2,290
<b>Total</b>	<b>258,998</b>	<b>270,557</b>	<b>262,524</b>	<b>263,686</b>
<b>YoY Change</b>				
Low User		6.1%	0.7%	0.9%
Standard Domestic		3.5%	-0.5%	-1.2%
Capacity		5.7%	-8.0%	1.2%
Network maximum Demand		2.2%	-4.0%	1.1%
Special (UV, SL, EF, PG)		1.4%	1.1%	1.3%
<b>Total</b>		<b>4.5%</b>	<b>-3.0%</b>	<b>0.4%</b>

## Price and Quantity Schedule for the assessment period 31 March 2022

Consumer Groups	BASE QUANTITIES 31 March 2022			2021/22 Prices				Regulatory Revenue (P X Q)				
	ICPs	Ave Capacity/ MD per ICP	kWh	Line Charges		Pass Through		Line Charges		Pass Through		Total Revenue (\$)
				Fixed \$ per day	Variable c/kWh	Fixed \$ per day	Variable c/kWh	Fixed \$ per day	Variable c/kWh			
<b>RETAIL</b>												
<b>DOMESTIC (Low Fixed Charge)</b>												
LUDU	8,716		45,395,363	-	9.2030	0.15000	0.9920	-	4,177,735	477,201	450,322	5,105,258
LUDR	4,095		23,037,846	-	9.2030	0.15000	0.9920	-	2,120,173	224,201	228,535	2,572,910
NDU	4,621		36,107,331	1.78879	0.729	0.43611	-	3,017,089	263,222	735,571	-	4,015,883
NDR	4,311		34,366,962	1.78879	0.729	0.43611	-	2,814,688	250,535	686,226	-	3,751,449
<b>TOTAL DOMESTIC</b>	<b>21,743</b>		<b>138,907,502</b>					<b>5,831,777</b>	<b>6,811,666</b>	<b>2,123,199</b>	<b>678,857</b>	<b>15,445,500</b>
<b>GENERAL</b>												
<b>Specials</b>												
U/Verandah Lights	17			\$0.83290/day		\$0.01765/day		5,168	-	110	-	5,278
Electric Fence	9			\$0.82817/day		\$0.01765/day		2,721	-	58	-	2,779
Lanark	1			\$259.83/mth		(\$302.47)/mth		3,526	-	(3,630)	-	(104)
Street Lights	15	5,121	2,289,753	5.32528 \$/light/mth		0.39324 \$/light/mth		327,249	-	24,165	-	351,414
Telecom - PCM 24 hour	57			\$54.13853/mth		\$8.06508/mth		37,031	-	5,510	-	42,540
Telecom - controlled	3			\$25.15093/mth		\$2.68503/mth		905	-	97	-	1,002
<b>Total Specials</b>	<b>102</b>		<b>2,289,753</b>					<b>376,600</b>	<b>-</b>	<b>26,310</b>	<b>-</b>	<b>402,910</b>
<b>Capacity Groups</b>												
N2U	791		12,687,954	1.12431	4.06400	1.05930	-	324,605	515,638	305,836	-	1,146,079
N2R	1,554		23,174,855	2.37188	6.87300	1.05930	-	1,345,354	1,592,808	600,846	-	3,539,007
N3U	266		10,256,481	2.82972	4.51600	3.00134	-	274,738	463,183	291,400	-	1,029,320
N3R	319		16,750,050	6.15067	5.20500	3.00134	-	716,153	871,840	349,461	-	1,937,454
N4U	35		2,068,223	7.25336	5.84800	5.29649	-	92,662	120,950	67,663	-	281,274
N4R	32		1,898,631	8.93655	6.60500	5.29649	-	104,379	125,405	61,863	-	291,646
N5U	23	185 kVA	2,060,762	6.11800c/kVA/day	5.22900	4.22400c/kVA/day	-	94,950	107,757	65,556	-	268,263
N5R	21	192 kVA	1,238,758	7.73800c/kVA/day	9.39200	4.22400c/kVA/day	-	113,624	116,344	62,025	-	291,992
<b>Total Capacity Groups</b>	<b>3,041</b>		<b>70,135,714</b>					<b>3,066,464</b>	<b>3,913,925</b>	<b>1,804,648</b>	<b>-</b>	<b>8,785,038</b>
<b>Network Maximum Demand (NMD)</b>												
NMD - Variable			52,353,400		2.573	\$0.63414/kVA/mth		-	1,347,053	-	-	1,347,053
NMD - Capacity	172	278 kVA		\$1.32080/kVA/mth		\$1.76177/kW/mth		758,519	-	364,179	-	1,122,697
NMD - Maximum Demand	172	180 kW		\$3.66948/kW/mth				1,365,330	-	655,515	-	2,020,845
<b>Total NMD</b>	<b>172</b>		<b>52,353,400</b>					<b>2,123,849</b>	<b>1,347,053</b>	<b>1,019,693</b>	<b>-</b>	<b>4,490,595</b>
<b>TOTAL GENERAL</b>	<b>3,315</b>		<b>124,778,867</b>					<b>5,566,913</b>	<b>5,260,978</b>	<b>2,850,651</b>	<b>-</b>	<b>13,678,542</b>
<b>TOTAL RETAIL</b>	<b>25,058</b>		<b>263,686,369</b>					<b>11,398,691</b>	<b>12,072,643</b>	<b>4,973,851</b>	<b>678,857</b>	<b>29,124,042</b>
<b>MAJORS - REGULATED</b>												
<b>Customers</b>												
Fonterra (BoPE)	1			\$26,827.00/mth		\$5,438.00/mth		321,924	-	65,256	-	387,180
Fonterra Lipid & Distillery	1			\$10,277.00/mth		\$0.00/mth		123,324	-	-	-	123,324
Asaleo Care (TP)	1			\$1,744.00/mth		\$73,530.00/mth		20,928	-	882,360	-	903,288
CHH Whakatane (TP)	1			\$10,502.00/mth		\$107,855.00/mth		126,024	-	1,294,260	-	1,420,284
Kaingarua Timberlands (TP)	1			\$13,056.00/mth		\$9,037.00/mth		156,672	-	108,444	-	265,116
CHH - Kawerau (TP)	1			\$2,612.00/mth		\$34,423.00/mth		31,344	-	413,076	-	444,420
Norske Skog Oxidation Ponds (TP)	1			\$4,401.00/mth		\$9,643.00/mth		52,812	-	115,716	-	168,528
Sequal Investments	1			\$4,875.00/mth		\$12,241.00/mth		58,500	-	146,892	-	205,392
Kawerau Dairy Ltd	1			\$1,243.00/mth		\$4,629.00/mth		14,916	-	55,548	-	70,464
Fonterra Assets	1			\$1,250.00/mth		\$0.00/mth		15,000	-	-	-	15,000
GDL Breaker Contract	1			\$585.00/mth		\$0.00/mth		7,020	-	-	-	7,020
BOPE TG1 & TG2	1			\$0.00/mth		\$0.00/mth		-	-	-	-	-
<b>TOTAL MAJORS - REGULATED</b>	<b>12</b>							<b>928,464</b>	<b>-</b>	<b>3,081,552</b>	<b>-</b>	<b>4,010,016</b>
<b>GRAND TOTAL</b>	<b>25,070</b>		<b>263,686,369</b>					<b>12,327,155</b>	<b>12,072,643</b>	<b>8,055,403</b>	<b>678,857</b>	<b>33,134,058</b>

# Price Schedule for the assessment period ending 31 March 2022

## HORIZON NETWORKS DELIVERY PRICE SCHEDULE EFFECTIVE FROM 1 APRIL 2021

Disclosure pursuant to requirements of the Electricity Distribution Information Disclosure Determination 2012. Horizon Energy Distribution Limited, trading as Horizon Networks, is the Eastern Bay of Plenty's electricity distribution business that owns and operates the physical infrastructure (poles and lines) that deliver electricity to your property. Horizon Networks is not your electricity retailer. The prices charged by your retailer may be different to those charged by Horizon Networks to your retailer. Horizon Networks' charges relate only to the cost of providing electricity distribution services. If unsure about the pricing, Horizon Networks recommend that customers contact their usual retailer to get a better understanding about the process and the difference between Horizon Networks pricing and the retailer's pricing.

Price Category Code <sup>(2)</sup>	Price Category	Forecast Number of Installation Control Points (ICPs) as at 1 April 2021	Price Component Code <sup>(3)</sup>	Description	Units	Delivery Price from 1 April 2021 <sup>(1)</sup>	Distribution Price	Pass Through Price
<b>DOMESTIC</b>								
LUDU	Low User Domestic - Urban	8,618	HET001	Daily Fixed Charge	\$ / ICP / day	0.15000	-	0.15000
			HET012	Consumption Charge	\$ / kWh	0.10195	0.09203	0.00992
			HET152	Distributed Generation - Injection Charge	\$ / kWh	-	-	-
LUDR	Low User Domestic - Rural	4,049	HET003	Daily Fixed Charge	\$ / ICP / day	0.15000	-	0.15000
			HET013	Consumption Charge	\$ / kWh	0.10195	0.09203	0.00992
			HET153	Distributed Generation - Injection Charge	\$ / kWh	-	-	-
<b>STANDARD</b>								
NDU	Standard User - Urban	4,618	HET034	Daily Fixed Charge	\$ / ICP / day	2.22490	1.78879	0.43611
			HET054	Consumption Charge	\$ / kWh	0.00729	0.00729	-
			HET154	Distributed Generation - Injection Charge	\$ / kWh	-	-	-
NDR	Standard User - Rural	4,308	HET035	Daily Fixed Charge	\$ / ICP / day	2.22490	1.78879	0.43611
			HET055	Consumption Charge	\$ / kWh	0.00729	0.00729	-
			HET155	Distributed Generation - Injection Charge	\$ / kWh	-	-	-
<b>GENERAL - SPECIALS</b>								
UV	Under Veranda Lights (not available for new connections)	17	HET009	Daily Fixed Charge	\$ / UV / day	0.85055	0.83290	0.01765
EF	Electric Fence (not available for new connections)	9	HET006	Daily Fixed Charge	\$ / EF / day	0.84582	0.82817	0.01765
SL	Street Lights	15	HET008	Monthly consumption	\$ / kWh	-	-	-
SL	Street Lights	15	HET131	Monthly Fixed Charge	\$ / light / month	5.71852	5.32528	0.39324
PCM 24	PCM 24 Hour (not available for new connections)	57	HET115	Monthly Fixed Charge	\$ / fixture / month	62.19361	54.13853	8.05508
PCMN	PCM Night Only (not available for new connections)	3	HET116	Monthly Fixed Charge	\$ / fixture / month	27.83596	25.15093	2.68503
<b>GENERAL - CAPACITY GROUPS</b>								
NZU	Capacity Group 2 (15-42 kVA) - Urban	793	HET017	Daily Fixed Charge	\$ / ICP / day	2.18361	1.12431	1.05930
			HET041	Consumption Charge	\$ / kWh	0.04064	0.04064	-
			HET141	Distributed Generation - Injection Charge	\$ / kWh	-	-	-
N2R	Capacity Group 2 (15-42 kVA) - Rural	1,556	HET023	Daily Fixed Charge	\$ / ICP / day	3.43118	2.37188	1.05930
			HET046	Consumption Charge	\$ / kWh	0.06873	0.06873	-
			HET146	Distributed Generation - Injection Charge	\$ / kWh	-	-	-
N3U	Capacity Group 3 (43-70 kVA) - Urban	266	HET018	Daily Fixed Charge	\$ / ICP / day	5.83106	2.82972	3.00134
			HET042	Consumption Charge	\$ / kWh	0.04516	0.04516	-
			HET142	Distributed Generation - Injection Charge	\$ / kWh	-	-	-
N3R	Capacity Group 3 (43-70 kVA) - Rural	319	HET024	Daily Fixed Charge	\$ / ICP / day	9.15201	6.15067	3.00134
			HET047	Consumption Charge	\$ / kWh	0.05205	0.05205	-
			HET147	Distributed Generation - Injection Charge	\$ / kWh	-	-	-
N4U	Capacity Group 4 (71-100 kVA) - Urban (not available for new connections)	35	HET019	Daily Fixed Charge	\$ / ICP / day	12.54985	7.25336	5.29649
			HET043	Consumption Charge	\$ / kWh	0.05848	0.05848	-
N4R	Capacity Group 4 (71-100 kVA) - Rural (not available for new connections)	32	HET025	Daily Fixed Charge	\$ / ICP / day	14.23304	8.93655	5.29649
			HET048	Consumption Charge	\$ / kWh	0.06605	0.06605	-
NSU	Capacity Group 5 (>100 kVA) - Urban (not available for new connections)	23	HET020	Capacity Charge	\$ / kVA / day	0.10342	0.06118	0.04224
			HET044	Consumption Charge	\$ / kWh	0.05229	0.05229	-
NSR	Capacity Group 5 (>100 kVA) - Rural (not available for new connections)	21	HET026	Capacity Charge	\$ / kVA / day	0.11962	0.07738	0.04224
			HET049	Consumption Charge	\$ / kWh	0.09392	0.09392	-
<b>MEDIUM TO LARGE CONSUMERS</b>								
NMDU NMDR	Network Maximum Demand - Urban and Rural	172	HET074	Monthly Capacity Charge	\$ / kVA / month	1.95494	1.32080	0.63414
			HET076	Monthly Demand Charge	\$ / kW / month	5.43125	3.66948	1.76177
			HET077	Consumption Charge	\$ / kWh	0.02573	0.02573	-
			HET177	Distributed Generation - Injection Charge	\$ / kWh	-	-	-
<b>LARGE CONSUMERS</b>								
SPEC	Individually priced consumers	n.a		Various	Various	n.a	n.a	n.a

**Notes:**

<sup>(1)</sup> All Prices exclude GST. Full details on our prices, are included in our Pricing Methodology available from our web site [www.horizonnetworks.nz](http://www.horizonnetworks.nz). The delivery price is the total covering distribution, transmission and other "pass through" costs. For a breakdown of these components please refer to our Pricing Methodology.

<sup>(2)</sup> Price Category codes are inclusive of Horizon Networks fixed and variable price component codes. Price Category codes are used in the Electricity Registry.

<sup>(3)</sup> Horizon Networks price component codes, used for Electricity Information Exchange Protocol (EIP) reporting, are identified alongside each delivery price. Retailers should use these codes for reporting purposes.

## **Appendix C – Director’s certificate**

I, Anthony de Farias being director of Horizon Energy Distribution Limited certify that, having made all reasonable enquiry, to the best of my knowledge and belief, the attached annual price-setting compliance statement of Horizon Energy Distribution Limited, and related information, prepared for the purposes of the *Electricity Distribution Services Default Price-Quality Path Determination 2020* has been prepared in accordance with all relevant requirements, and all forecasts used in the calculations for forecast revenue from prices and forecast allowable revenue are reasonable.

Anthony de Farias

29 January 2021