

# Vector's Gas Distribution Services – Annual Price Review

## From 1 October 2019

Parts of this document meet the Gas Distribution Information Disclosure Determination 2012 (consolidated April 2018) requirements for Vector to publicly disclose prices.

Our annual price changes are limited under regulation to inflation (Consumer Price Index (CPI)), plus any under/over recovery from the previous year (headroom) and changes in pass-through and recoverable costs (e.g. council rates and statutory levies).

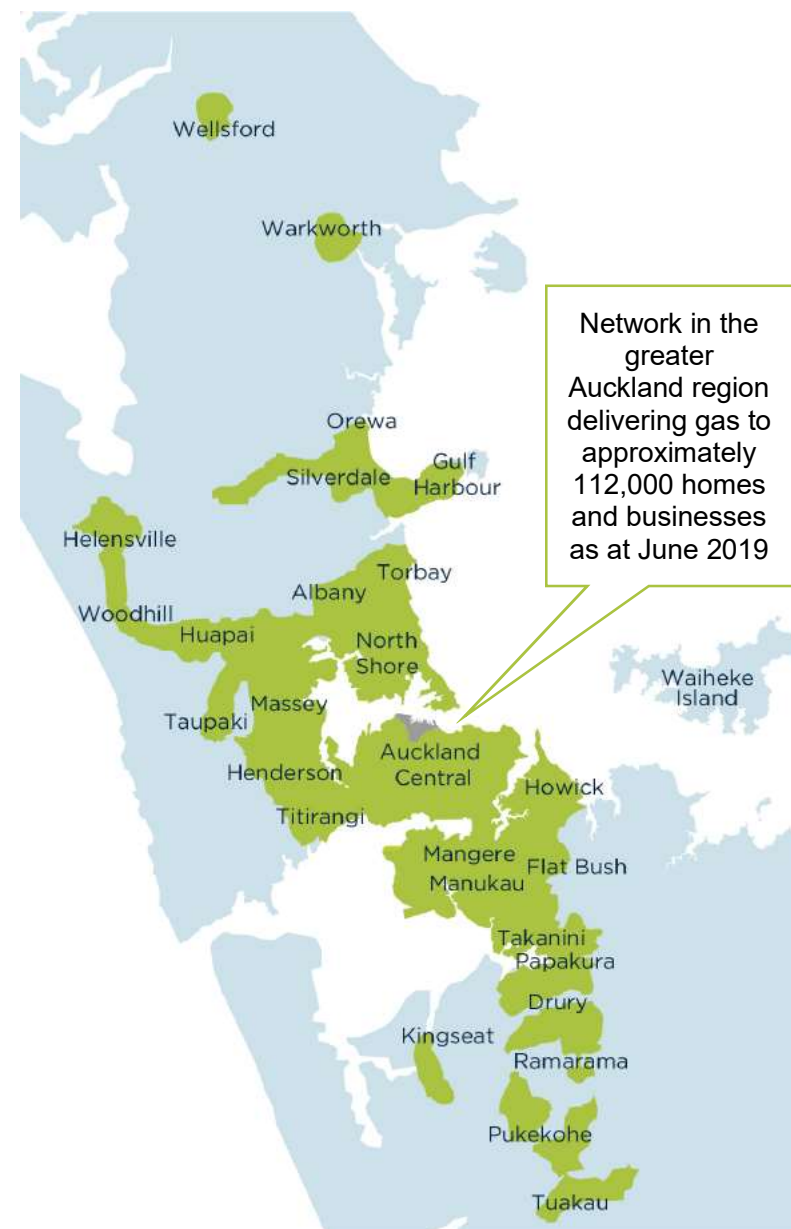
From 1 October 2019, prices are increasing by a weighted average of 1.9% (2.0% for standard prices). The price change is associated with: an increase in CPI (+1.6%), headroom (+0.1%) and increase in pass-through and recoverable costs (+0.2%).

The price change is applied across all standard price categories to give an equal estimated weighted average change of 2.0%. This is achieved by predominantly applying the increase to fixed daily prices, limiting the change to the greater of 10% or \$30 per annum, with the variable prices remaining unchanged unless required to meet the target of a 2.0% estimated weighted average change.





Changes to individual prices will vary from the weighted average price increase above. This is due to differences in individual consumption levels within price categories.

Our standard gas distribution prices, including previous prices, are set out in the following page. Please note that all prices are exclusive of GST.

Further information on our gas pricing methodology used to set prices can be found at: <http://vector.co.nz/disclosures/gas/pricing-methodology>.



## Prices for standard gas consumers from 1 Oct 2019 (previous price, if changing)

Consumer group	Max. flow rate scm/h	Price category description	Price category code	Number of consumers (June 2019)	Daily (-FIXD) \$/day	Volume (-24UC) \$/kWh
Mass Market 		Residential	GA0R	105,200	0.38 (0.35)	0.0186 (0.0195)
	≤ 10	Business	GA01	2,400	0.70 (0.63)	0.0119 (0.0123)
Small commercial 	10 to 40	Small commercial	GA02	2,900	1.17 (1.12)	0.0101 (0.0100)
Large commercial 	40 to 200	Large commercial	GA03	1,000	5.14 (4.79)	0.0077
Industrial 	> 200	Industrial	GA04	150	16.00 (14.70)	0.0051
	> 200	Large industrial	GA05	20	209.15 (203.00)	0.0011

Vector offers six price categories for its gas distribution network consumers depending on the consumer's connection size and their connection type.

Fixed daily prices (-FIXD) apply to the number of days each consumer is connected to Vector's gas distribution network. Volume prices (-24UC) apply to all gas distributed to each consumer.

### Price category information

The **GA0R** price category applies to all residential customers. A residential customer is where the customer's metered point of connection is for a home, not normally used for any business activity. The **GA01 - GA05** price categories apply to non-residential customers.

Load size for non-residential customers is measured in standard cubic metres per hour (scm/h) and is based on either the installed equipment or meter capacity.

Consumers with a load size greater than 200scm/h may choose between the **GA04** and **GA05** price categories. Consumers may not move between these price categories more than once in any 12-month period.

A consumer whose typical usage is above 130,000,000 kWh per annum may be subject to non-standard prices, at Vector's discretion.

## Loss factors from 1 Oct 2019 (unchanged from previous)

Price category code	Loss factor code	Distribution losses with respect to gate station meter	Distribution loss factor with respect to customer meter
All	VEAG1	1.26%	1.0127

### For further information

To discuss how Vector's distribution prices are applied to consumer bills, consumers should contact their gas retailer.

### Extent of prices

Vector's distribution standard prices published in this schedule relate to the cost of owning, operating, and maintaining the network as it currently exists but do not include amongst other things, energy charges for the gas customers use, transmission charges, metering charges, the cost of reading meters and the cost of customer fittings or appliances.

In order for Vector to supply any new or changed distribution service, including but not limited to; changes to security or service levels, the connection to the network of additional connections and the modification, relocation or removal of current connections, Vector may apply non-standard prices other than those outlined in this schedule on a case by case basis.

Should Vector forecast a potential price breach under the regulated price path, then Vector may provide a refund or rebate of gas distribution charges directly to the gas retailer to avoid such a breach.