



EA Networks Consumer Discount Methodology
For the financial year ended 31 March 2020

Introduction

EA networks (the trading name of Electricity Ashburton Limited) is a consumer cooperative which has a policy of allocating a consumer discount to consumers connected to its network. This document describes the methodology used to make that allocation.

To qualify for the consumer discount, consumers must be connected to the network at 5.00 pm on the last working day of February.

The first \$100 of consumer discount ever paid to a consumer who is a shareholder of EA Networks will be used to purchase shares in EA Networks after which the consumer discount generally appears as a credit on consumers' April or May monthly accounts from their electricity retailer(s).

For any questions on the consumer discount please contact EA networks (03) 3079800 or email inquiry@eanetworks.co.nz

The consumer discount will be paid in accordance with the requirements of the Inland Revenue Department Building Ruling.

For completeness we note that the consumer discount calculated and paid under this methodology is separate to any form of payment provided for in EA Networks' constitution. Payments made under this methodology are not made in relation to any shareholding relationship and are made only due to the relationship between EA Networks' and its' end electricity consumers.

Paid to all consumers

The consumer discount will be paid to all qualifying consumers regardless if they own or do not own shares in the company.

Allocation of consumer discount to consumers

Each consumer share of the consumer discount pool is calculated:

$$A/B * C$$

Where:

A: EA networks distribution charges to qualifying consumer for the measurement period.

B: The sum of all qualifying consumers charges for the measurement period.

C: The value of the consumer discount pool, set at \$2,960,000, excluding GST, for the financial year ended 31 March 2020.

The measurement period runs from 1 February 2019 to 28 February 2020.