

Attachment: Estimated impact on customer bills from default price-quality paths

The price adjustments and the estimated effect of the decision on an average residential gas consumer's monthly bill

Supplier	Previous price-regulation	Adjustment to distribution line charge	Estimated monthly bill effect on residential gas user in 2013/14 ¹	Regions served by supplier	Number of residential customers
GasNet Limited	None	+ 2%	\$ 0	Wanganui and surrounding district	10,167
Powerco Limited	2008 Gas Authorisation	+ 4%	\$ 0.3	Napier, Hastings, Southern Hawkes Bay, Taranaki, Manawatu, Levin, Foxton, Hutt/Mana, Wellington	101,651
Vector Limited (Distribution)	2008 Gas Authorisation for Auckland network only	-18%	- \$5.3	Northland, Greater Auckland, Waikato, Bay of Plenty, Rotorua, Taupo, Gisborne, Kapiti	143,602

Notes and assumptions:

1. The calculation assumes that the changes is evenly spread across the year and excludes inflation.

We have adjusted the price of gas distribution and gas transmission services.

Gas retailers purchase gas and arrange the transmission and distribution of gas for residential consumers. We therefore had to estimate the effect of proposed changes in charges on residential consumers.

For gas distribution we have assumed that all types of consumer (residential, commercial and industrial) receive a percentage adjustment to their bill equal to the adjustment to the line charge.

For gas transmission, we have assumed that the reduction to line charges for Vector Limited (Transmission) of 29.5%, and around 1% for Maui Development Limited are spread equally among all consumers (residential, commercial and industrial) based on their gas usage.

For a typical residential gas consumer we assumed a gas usage of 6415kWh per year, at a cost of around \$70 per month.

Source:

The Commerce Commission developed the monthly bill estimates using information provided by gas distributors and gas transmission businesses, and information on the average residential gas bill from the Ministry of Business, Innovation & Employment Energy Data File 2012.