



# 2025 Settlement Residual Allocation Methodology and Disclosure

April 2024 to March 2025

Published: August 2025



## Introduction

Settlement residual payments are paid by the electricity industry's clearing manager (NZX) to Transpower. In May 2023 the Electricity Authority published amended guidelines<sup>1</sup> for how electricity networks (otherwise referred to as distributors) should pass through settlement residual rebates to their customers. More information on settlement residual payments is available from Transpower's website<sup>2</sup>.

The Authority's high-level guidance is that distributors should:

- a) Allocate in proportion to transmission charges: Distributors are required to allocate settlement residue in proportion to the transmission charges paid by those customers by connection location.
- b) Allocate in respect of each connection location: Settlement residue must be allocated in respect of each connection location.
- c) Allocate and pay on a monthly basis: Distributors are required to allocate and pay the full amount of settlement residue received from Transpower each month. Payments can be adjusted for previous over- or under-payments.

## Our Methodology

Powerco treatment of settlement residual payment is aligned with the Authority's guidelines.

### Allocated in proportion to transmission charges

Transpower charges are allocated to customers based on customer demand and historical usage as detailed in our pricing methodology<sup>3</sup>.

Settlement residual payments are allocated to customers in proportion to their respective kWh volumes, using the initial billing volumes that correspond with the month to which the settlement residual payments relate.

### Allocated in respect of each connection location

Transpower provide the settlement residual rebate grouped by each of the GXP's on the Powerco network.

The amount Transpower allocates to a specific GXP is grouped into one of the three pricing regions (as detailed in our pricing methodology). This is then passed onto customers served by that pricing region in proportion to their respective billing volumes in that region for that month.

For example, if a retailer has a 10% of the billing volume at a pricing region, they will receive 10% of the settlement residual payments Transpower has allocated to the GXPs in that pricing region for that month.

### Allocate and pay on a monthly basis

Calculations are applied two months in arrears. For example, a June payment will relate to April billing

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<sup>1</sup> [Settlement residual rebates pass-through - Guidance for distributors](#)

<sup>2</sup> <https://www.ea.govt.nz/projects/all/sram/>

<sup>3</sup> [Electricity Pricing Methodology - April 2024 - March 2025](#)

## 2025 Settlement Residual Rebates Disclosure

|                     |                             |
|---------------------|-----------------------------|
| <b>Company Name</b> | Powerco Limited             |
| <b>Year Ended</b>   | 31 <sup>st</sup> March 2025 |

For presentation purposes, the tables set out in this section are aggregates of underlying data. While dollar balances are rounded to the nearest thousand dollars, the underlying compliance calculations apply the whole number and are reflected in the totals. The rounding of each component may result in tables which look like they don't add up - this is the rounding effect.

### Annual report by customer type

| Customer type         | Allocation (%) | Allocation (\$000) |
|-----------------------|----------------|--------------------|
| Retailers             | 82%            | -8,443             |
| Direct Load Customers | 18%            | -1,796             |
|                       |                | <b>-10,239</b>     |

### Monthly report by customer type (\$000)

| Month     | Credit from Transpower | Customer Payments | Retailers     | Direct load customers |
|-----------|------------------------|-------------------|---------------|-----------------------|
| April     | -618                   | -618              | -511          | -106                  |
| May       | -1,002                 | -1,002            | -825          | -176                  |
| June      | -791                   | -791              | -676          | -115                  |
| July      | -408                   | -408              | -350          | -58                   |
| August    | -273                   | -273              | -230          | -43                   |
| September | -1,238                 | -1,238            | -1,010        | -228                  |
| October   | -962                   | -962              | -771          | -191                  |
| November  | -1,055                 | -1,055            | -890          | -165                  |
| December  | -929                   | -929              | -795          | -134                  |
| January   | -1,779                 | -1,779            | -1,453        | -326                  |
| February  | -526                   | -526              | -420          | -106                  |
| March     | -660                   | -660              | -513          | -147                  |
|           | <b>-10,240</b>         | <b>-10,239*</b>   | <b>-8,443</b> | <b>-1,796</b>         |

\*The minor difference between the credit received from Transpower and the payments made to customers is due to small amounts (under \$5 including GST) being written off, as the administrative cost of processing these payments exceeds their value. For the FY25 year the total value of these write offs was \$50.63.

## Annual report with breakdown by connection location (\$000)

| Sub Network | Connection location | Location name | Retailers     | Direct load customers |
|-------------|---------------------|---------------|---------------|-----------------------|
| Eastern     | ARI1102             | Arapuni       | -247          | -47                   |
|             | HIN0331             | Hinuera       | -314          | -7                    |
|             | KIN0331             | Kinleith      | -303          | -1,043                |
|             | KMO0331             | Kaikoura      | -178          |                       |
|             | KPU0661             | Kopu          | -723          |                       |
|             | MTM0331             | Mt. Maunganui | -331          | -6                    |
|             | PAO1101             | Palmerston    | -476          | -259                  |
|             | TGA0111             | Tauranga      | -109          |                       |
|             | TGA0331             | Tauranga      | -427          |                       |
|             | TMI0331             | Te matai      | -222          |                       |
|             | WHU0331             | Waihou        | -342          | -251                  |
|             | WKO0331             | Waikino       | -684          |                       |
| Western     | BPE0331             | Bunnythorpe   | -698          | 0                     |
|             | BRK0331             | Brunswick     | -213          |                       |
|             | CST0331             | Carrington St | -552          |                       |
|             | GYT0331             | Greytown      | -145          | 0                     |
|             | HUI0331             | Huirangi      | -312          |                       |
|             | HWA0331             | Hawera        | -227          | -67                   |
|             | LTN0331             | Linton        | -594          |                       |
|             | MGM0331             | Mangamaire    | -78           | -70                   |
|             | MST0331             | Masterton     | -395          | 0                     |
|             | MTN0331             | Marton        | -163          |                       |
|             | MTR0331             | Mataroa       | -56           |                       |
|             | OKN0111             | Ohakune       | -16           |                       |
|             | OPK0331             | Opunake       | -91           |                       |
|             | SFD0331             | Stratford     | -268          |                       |
|             | WGN0331             | Wanganui      | -238          | -47                   |
|             | WVY0111             | Waverley      | -41           |                       |
|             |                     |               | <b>-8,444</b> | <b>-1,796</b>         |

