



2026 Settlement Residual Allocation Methodology and Disclosure

April 2025 to March 2026

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Introduction

Settlement residual payments are paid by the electricity industry's clearing manager (NZX) to Transpower. In May 2023 the Electricity Authority published amended guidelines¹ 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 website².

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 methodology³.

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

¹ [Settlement residual rebates pass-through - Guidance for distributors](#)

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

³ [Electricity Pricing Methodology - April 2025 - March 2026](#)

2026 Settlement Residual Rebates Disclosure

Company Name	Powerco Limited
Year Ended	31 st March 2026

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	83%	-10,974
Direct Load Customers	17%	-2,297
		-13,271

Monthly report by customer type (\$000)

Month	Credit from Transpower	Customer Payments	<i>Retailers</i>	<i>Direct load customers</i>
April	-503	-503	-389	-114
May	-1,054	-1,054	-825	-229
June	-1,523	-1,523	-1,262	-262
July	-1,660	-1,660	-1,391	-269
August	-1,282	-1,282	-1,055	-227
September	-1,249	-1,249	-935	-313
October	-1,182	-1,182	-950	-232
November	-908	-908	-715	-193
December	-932	-932	-794	-138
January	-1,279	-1,279	-1,145	-134
February	-1,033	-1,033	-921	-112
March	-666	-666	-591	-75
	-13,271	-13,271	-10,974	-2,298

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

Sub Network	Connection location	Location name	Retailers	Direct load customers
Eastern	ARI1102	Arapuni	-341	-94
	HIN0331	Hinuera	-444	-9
	KIN0331	Kinleith	-364	-1,187
	KMO0331	Kaikoura	-220	
	KPU0661	Kopu	-1,003	0
	MTM0331	Mt. Maunganui	-391	-6
	PAO1101	Palmerston	-511	-449
	TGA0111	Tauranga	-128	
	TGA0331	Tauranga	-505	
	TMI0331	Te matai	-280	
	WHU0331	Waihou	-521	-330
	WKO0331	Waikino	-956	
Western	BPE0331	Bunnythorpe	-935	0
	BRK0331	Brunswick	-287	
	CST0331	Carrington St	-729	
	GYT0331	Greytown	-185	0
	HUI0331	Huirangi	-388	
	HWA0331	Hawera	-284	-83
	LTN0331	Linton	-785	
	MGM0331	Mangamaire	-99	-81
	MST0331	Masterton	-514	0
	MTN0331	Marton	-207	
	MTR0331	Mataroa	-75	
	OKN0111	Ohakune	-22	
	OPK0331	Opunake	-112	
	SFD0331	Stratford	-335	
	WGN0331	Wanganui	-303	-57
	WVY0111	Waverley	-49	
			-10,974	-2,298

