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WEL Discount Programme Replaced – Big Future Benefits for Customers and Community

Technological disruption to the electricity industry will see changes for the WEL Electricity Lines Discount Programme from 2019.

As a result of those changes, the WEL Energy Trust today announced that it supports the decision of WEL Networks Ltd to replace the annual discount payment with reduced lines prices for residential electricity customers and greater returns to all of the community.

The decision means that in 2018, WEL residential customers will continue to receive their current discount. They will also receive a reduction in lines prices amounting to approximately \$7million – half of the residential customer discount.

In 2019 the discount will finish, but the \$7million price reduction on WEL's residential lines charges to retailers will continue while the community grant programme and investment in the community will increase.

“By ending the discount programme there will be greater transparency for customers, lower lines prices for residential customers and more investment in the community now and into the future. We're finishing a discount programme that was relevant to the old system, but isn't relevant today,” said Trust Chair Mark Ingle.

WEL Networks Ltd is 100% owned by the Trust on behalf of the community. The company is now much more than a lines company and this decision will ensure more return to the whole community while reducing lines prices for residential customers.

“The Trust and Company believe that savings for electricity customers opting in to new initiatives, and ways of buying their electricity, could see savings of more than double the average discount today,” WEL Networks Ltd Chairman Rob Campbell says.

The Trust currently grants approximately \$2.5M each year into more than 250 community organisations. These include events that enhance our image and build community pride, such as the Hamilton Gardens Arts Festival, and organisations and projects that promote community connectedness and provide healthy activities or support disadvantaged groups, such as the Zeal Educational Trust.

As an Energy Trust, we also support energy efficiency initiatives and look to build business and economic development opportunities in the region.

'Here for the Community'

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From 2019 community grants and other investments in the community made by the Trust should increase to more than \$10-million annually, more than double the present investment.

“Electricity prices are too high,” Ingle said. “Lines pricing is only one part of the electricity bill. We’ve supported discounts for over 15 years and prices keep going up. We need to do things differently to get a better outcome for customers and the community.”

“What we need to do as a community is to embrace technological change, enable customers, and support systems change that will bring lower prices for consumers overall.”

WEL Network Ltd Chair, Rob Campbell added, “The discount is a blunt instrument to benefit customers, and it limits our strategic options and future opportunities. We are investing in ways to reduce peak load demand, to reduce power charges”.

“We’re developing ways to disrupt the sector so total power prices are reduced.”

The final discount, which totals around \$18 Million per annum or on average \$158 excluding GST per residential customer, will be paid in April/May 2018.

The Trust will track the results it is looking for in terms of better pricing including the 25% of the bill that is WEL line charges.

About WEL Energy Trust

- Formed in 1993 as 1/3rd shareholder of WEL Networks Ltd, which owns the electricity lines and equipment in Hamilton, most of the Waikato district and a small part of the Waipa district, connecting over 160,000 people to electricity services through 89,000 installation collection points
- The Trust now holds 100% ownership of WEL Networks Ltd on behalf of the Waikato community, with all customer shares being acquired in 1999
- Four years ago, the Company was supported by the Trust to diversify its interests into Fibre. WEL is now an 85% shareholder of Ultra-Fast Fibre Ltd, which is developing the region’s broadband network. The network construction completed in December 2016 has now connected 46% of homes and businesses in the Waikato region and is still growing at 1% per month. The network is world class, affordable and provides speeds up to 1 gigabyte. Empiric evidence shows Fibre-to-the-Home (FTTH) provides improvements in both economic and social conditions in the areas they serve. As this is the future, this network will be a strong earning asset for the community for many decades.

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