

Understand your electricity bill



Your electricity bill tells you how much you have to pay and when the payment is due. Make sure you read your bill so you understand the charges and check they are right.

Every power company sets out bills differently. Some companies have information on websites to help customers understand bills. This sheet is about the words and terms you might find on any electricity bill.

Words and terms

Words and terms you may see on your electricity bill include:

- **ICP** Installation control point. The ICP number identifies the point where a property connects to the electricity network. The ICP number is for a place, not a person.
- **Billing period** The number of days the bill is for; this may change from month to month.
- **Actual** You get an actual bill when the company has read the meter before sending you the bill.
- **Estimate** You get an estimate bill when the company estimates how much electricity you have used.
- **Meter** This can be the serial number of the meter or a name for the type of meter. There may be more than one meter on your bill, for example, a separate meter for the electricity for the hot water cylinder.
- **Pricing plan** How much you pay for electricity depends on how you use electricity and what type of meter you have. We have a separate fact sheet about pricing plans.
- **Kilowatt-hours or kWh** This is the unit for measuring electricity use. Some bills talk about units instead of kilowatt-hours.

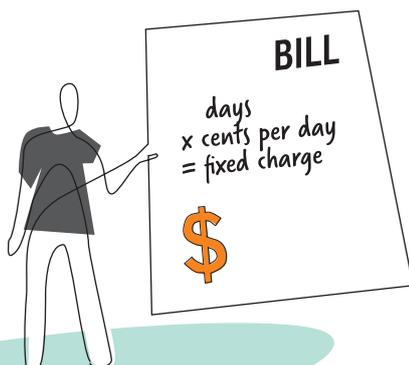


Main parts of the bill

The two main parts of the bill are the fixed or daily charge, and the variable charge (the price for each unit of electricity).

The fixed or daily charge

The fixed or daily charge is a fixed rate per day. It is written as cents per day or c/day, or dollars/day. The fixed rate varies between pricing plans. The total fixed charge is the daily rate multiplied by the number of days in the billing period. You pay fixed charges even if you don't use any units of electricity.



The fixed or daily charge includes:

- **Retail costs** - These costs include installing and maintaining meters, meter reading, and having systems for billing, customer service, and complaints.
- **Network costs** - These are the costs your electricity retail company pays to a network company to transmit and distribute electricity.

The variable charge

The variable charge is for the electricity you have used, measured in kilowatt-hours at a rate agreed between you and the company. The rate is called the unit price. You may be charged different rates for electricity used through different meters, depending what pricing plan you are on.

The rate is written as cents per unit or cents per kilowatt-hour - c/kWh.

The units or kWh may be from an actual meter reading or from an estimate.

The total variable charge is the rate multiplied by the number of units used through each meter at the property.

All electricity companies pay a levy to the Electricity Authority (EA). Some companies show the EA levy on your bill. The levy is usually based on how much electricity you use.

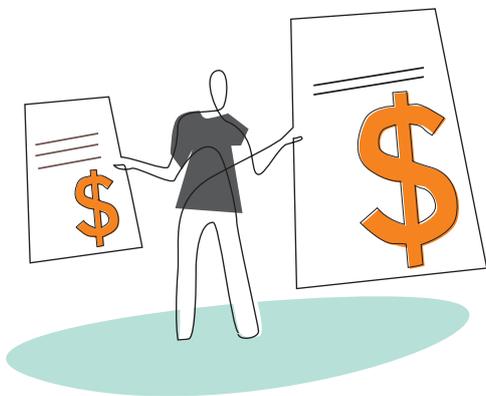
The EA is responsible for making sure the New Zealand electricity market is efficient. There is information about how the electricity industry in New Zealand works on the Electricity Authority's website

www.ea.govt.nz/consumers



Other charges

Sometimes there will be a separate section on your bill for other charges. This might include a bond, debt management fees, disconnection and reconnection fees, or meter test fees. When you open an account with an electricity company you agree to terms and conditions that include paying fees the company may charge. You should contact the company to ask for an explanation of any unexpected charges, or charges you do not understand.



Most companies offer a discount if you pay by the due date. This is sometimes called a prompt payment discount.

Some companies offer a discount if you choose to receive bills by email instead of by post.

You have to pay goods and services tax or GST on electricity bills.

If you want to compare your current company's prices with other companies, you need to check both the daily fixed and variable rates. Go to the 'What's my number' website

www.whatsmynumber.org.nz to find out whether you could save money by switching to another company.

What can I do if I'm having problems paying my bill?

Contact your company as soon as possible if you're having problems paying your power bill. Tell your company if you are vulnerable or need electricity for medical reasons. All electricity companies have to follow the same guidelines for dealing with customers who are medically dependent on electricity or have circumstances that make them vulnerable.

The Electricity and Gas Complaints Commissioner cannot look into complaints about the price of electricity.

The Commissioner can check the company has given you good information about the charges, and can check your bills are correct. You can call free on 0800 22 33 40, or email info@egcomplaints.co.nz to ask about our service.