

### Loss Constraint Excess Payment – Market Rebate 2016

Wholesale energy prices are set each half hour based on the highest generator bid. To that price is added the cost of the electricity lost in getting the electricity from the generator to The Lines Company.

However, in most cases the electricity actually comes from a much closer generator and the actual cost of the losses is less than the amount charged, thereby producing a surplus. This surplus is credited to The Lines Company by Transpower, the national grid operator, and The Lines Company allocates it back to you, our customers.

The amount credited to The Lines Company for the 12 months ending 31 March 2016 was \$308,951.11 (including GST) of which 90%, \$278,060.46 has been allocated on the following basis:

1. Transpower's Grid Exit Point (inclusive GST):

<b>Grid Exit Point</b>	<b>Credit of Loss Constraint Excess Payment from Transpower to TLC</b>	<b>Credit Paid Out to TLC Customers</b>	<b>Total Credit Per Dollar of Transmission Charges (before PPD including GST) 31 March 2016</b>
Hangatiki	\$193,725.67	\$174,353.10	\$0.43
National Park	\$27,339.63	\$24,605.67	\$0.30
Ohakune	\$33,749.56	\$30,374.60	\$0.46
Ongarue	\$5,511.01	\$4,959.91	\$0.04
Tokaanu	\$48,625.24	\$43,762.72	\$0.54

2. Account holders with **"ON"** installations as at 31 March 2016;

3. The transmission charges (before PPD and including GST) of each installation as invoiced on 1 March 2016;

4. The credit of all ICP's attached to an account are summed to produce a total credit for that account;

5. Final amount shown on your invoice may have been rounded.