DS1005

Centralines Settlement Residual Allocation Methodology

For the Assessment Period Ending 31 March 2027
Pursuant to the Electricity Industry Participation Code 2010

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DS1005 Centralines Settlement Residual Allocation Methodology 2026-27

Document purpose

Regulatory disclosure for Centralines' settlement residual allocation methodology.

Intended audience

Publicly disclosed.

Document contributors

Contributors	Name and Position Title	Approval Date
Owner	Unison Commercial Analyst	17/07/2026
Authoriser	Unison Regulatory Manager	27/07/2026
Approver	General Manager Centralines	28/07/2026

Key dates

Published Date 28/07/2026

Renewal period – Yearly

Related references

Legislation

- Electricity Industry Act 2010

Other References

- Electricity Industry Participation Code 2010, Part 12A, Clause 12A.3

Clarification

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Content

This document contains the following topics:

1. Introduction

1.1 Settlement residue

The Settlement Residual Allocation Methodology (SRAM) took effect from 1 April 2023. Transpower pays settlement residual rebates to transmission customers (including Centralines). Centralines is required under clause 12A.3 of the Electricity Industry Participation Code (the Code) to pass through the rebates to direct customers. These are primarily energy retailers; however, a few large industrial customers are managed on a direct bill basis. Transpower provides a settlement residue statement to Centralines each month relating to each Grid Exit Point on our network.

1.2 Electricity Authority's guidance

The Electricity Authority's guidance said that distributors should:

1. 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. Connection locations are otherwise known as Grid Exit Points (GXPs) or the points where Transpower's network supplies ours.

2. Allocate in respect of each connection location: Settlement residue must be allocated in respect of each connection location.

3. 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.

2. Our Methodology

2.1 Allocated in proportion to transmission charges	Centralines prices are made up of three components: • Distribution • Recoverable, and • pass-through and transmission. Centralines will apply rebates in proportion to the Transmission Charges paid by customers for the month that the settlement month relates to.
2.2 Allocated in respect of each connection location	Centralines has a single GXP, Waipawa. The transmission pricing amounts are allocated to retailers. Transpower provides Centralines with the settlement residual rebate for the Waipawa GXP. A pro-rata calculation is applied to the Transpower settlement residual rebate forming the basis for Centralines credit allocated to retailers.
2.3 Allocate and pay on a monthly basis	Centralines calculates the settlement residual rebates in arrears. Rebates are calculated using transmission charges in the month that the settle residue relates to.

Appendix A – Summary of Document Changes

Date	Version No.	Changes to Document	Owner	Authoriser	Approver
28/07/2026	1.0	New document.	Unison Commercial Analyst	Unison Regulatory Manager	General Manager Centralines