

**Media statement – for immediate release
3.00pm, 30 January 2014**

Orion advises new prices that reflect Commerce Commission decision

Christchurch-based electricity distributor Orion is to increase its prices to reflect the Commerce Commission's recent decision on the prices Orion can charge and the quality standards Orion must meet. The price increase will apply from 1 April 2014. Orion's prices will remain below the New Zealand average for network charges to household customers after the price increase.

Under the Commerce Act, the Commission regulates Orion's prices. In November 2013, after review of the impact of the Canterbury earthquakes on Orion, the Commission announced future price and quality levels for Orion that the Commission considered appropriate and in the best long term interest of electricity consumers in the region.

If electricity retailers elect to pass on the Orion price increase to customers, and pass on a 1 April 2014 price increase of 9% from the national grid owner, Transpower, the average household electricity bill will increase by around 4% in Orion's network area. Orion's and Transpower's charges together represent around 40% of an average household power bill.

"Orion is very mindful of the impact any price increase has, especially for those on lower incomes. However, it will cost hundreds of millions of dollars to continue the network rebuild work we have already begun and to ensure our network is resilient enough to protect our community," says Orion chief executive Rob Jamieson.

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About Orion

Orion New Zealand Limited owns and operates the electricity distribution network in central Canterbury (including Christchurch) between the Waimakariri and Rakaia rivers and transports electricity to approximately 190,000 homes and businesses in this area. Orion charges electricity retailers for this service (including recovery of charges from the national grid operator Transpower), and retailers then on-charge homes and businesses.