

## Proposed new Code provisions

### 1.1 Interpretation

(1) In this Code, unless the context otherwise requires,—

**acquired pioneer scheme** means a **pioneer scheme** established by a **distributor** (the **selling distributor**) in accordance with clause 6B.9 relating to **pioneering connection works** carried out by a **distributor**, where ownership of the **distribution network** on which the **pioneer scheme** is established or the part of a **distribution network** on which the **pioneer scheme** is established is transferred to another **distributor** (the **buying distributor**)

**buying distributor** is defined in the definition of **acquired pioneer scheme**

**capacity costing requirements** means the **connection pricing methodology** relating to capacity costs, the requirements for which are set out in clause 6B.6

**capacity demand assumption** means the design capacity applicable to a given **connection application** and **network tier** as determined by a **distributor** having reasonable regard to any relevant information provided by a **connection applicant**

**capital contribution reliance** means the ratio, expressed as a percentage, between the sum of capital contributions funding **consumer connection** and capital contributions funding system growth, divided by the sum of **consumer connection** expenditure and system growth expenditure, as disclosed by a **distributor** in relation to a **disclosure year**

**capital contribution reliance for load** means **capital contribution reliance** adjusted to remove capital contributions and expenditure relating to **connections** for **distributed generation** made under Part 6 of this Code

**capital contribution reliance limit for load** means, for a **distributor**, an upper limit on reasonably anticipated **capital contribution reliance for load**, assuming **typical connection activity**, determined in accordance with clause 6B.7

**capital contribution reliance limit for load methodology** means the **connection pricing methodology** set out in clause 6B.7

**connection**, for the purpose of Part 6B, means the physical link between a **consumer installation** and a **distribution network** at a **point of connection** to enable **electrical connection** between the **consumer installation** and the **distribution network**, and **connect** has a corresponding meaning

**connection applicant** means a person who:

- (a) applies to a **distributor** to **connect** any **load** owned or operated, or to be owned or operated, by the person to the **distributor's distribution network**, or to a **consumer installation** that is connected to the **distribution network**, including by a **network extension**; or
- (b) is a **consumer**, and applies to a **distributor**:
  - (i) to increase the security, or change the capacity of, the **load connection** provided to the **connection applicant** at the **point of connection** between the **consumer installation** owned or operated by the **connection applicant** and the **distributor's distribution network**; or
  - (ii) to change to or from a **flexible connection**; and

- (iii) includes where any of the **connection applications** in sub-paragraphs (i) to (ii) involves allocating additional **network** security or capacity, with or without associated physical works

**connection application** means an application of the kind described in the definition of **connection applicant**, made in accordance with a **distributor's connection process**

**connection charge** means—

- (a) any price, fee, tariff, charge or other similar monetary impost or cost, or any part of any price, fee, tariff, charge, or other similar monetary impost or cost; and
- (b) that is, either directly or indirectly, imposed or required, or agreed by a **distributor** in relation to **connection works** for a **connection applicant** or is otherwise applied for the purposes of, or has the effect of, recovering **connection works costs** directly or indirectly from a **connection applicant**; and
- (c) includes any **connection fees** or **pioneer scheme contributions**

**connection charge reconciliation** means a standardised breakdown of **connection charge** components, other than for **connection fees**, in accordance with clause 6B.13

**connection charge reconciliation methodology requirements** means the requirements set out in clauses 6B.12 and 6B.13

**connection enhancement** means a **customer-selected enhancement** or a **distributor-selected enhancement**

**connection enhancement cost requirements** means the **connection pricing methodology** set out in clauses 6B.4 and 6B.5

**connection fee** means an amount paid by a **connection applicant** to a **distributor** for the administrative aspects relating to **connection** or increasing the security or capacity at a new **point of connection**, including processing **connection applications** and completing **connection** inspections

**connection pricing methodologies** means the pricing methodologies set out Part 6B that each **distributor** must use for determining **connection charges**, other than any **connection fees**, and **connection pricing methodology** has a similar meaning

**connection process** means the process a **distributor** requires a **connection applicant** to follow to establish or improve a **connection**, and may include requirements relating to information, timeframes, **connection charges** and **connection works**

**connection revenue life** means 30 years for a residential **connection** and 15 years for a non-residential **connection**, unless the **distributor** reasonably believes the **connection** will have a shorter revenue-generating life

**connection works** means the works involved to provide a **connection**, or to increase the capacity of, a **point of connection** or of any **assets** owned or operated by a **distributor**—

- (a) including any of the following:
  - (i) any **network extensions** or the construction of any **dedicated assets**:
  - (ii) any increases in security or capacity of the **distributor's distribution network** or of any **network extensions** or **dedicated assets**:

- (iii) any operational changes made by the **distributor** that are required in order to provide the **connection** or to increase security or capacity:
  - (iv) any allocation of additional network security or capacity to the **connection**, even where this does not involve physical works
  - (v) any other improvements to the **distributor's distribution network**; but
- (b) not including work associated with **customer-owned assets** or work covered by a **connection fee**

**connection works cost** means the cost of **connection works**

**CPI movement** means, for the purposes of Part 6B, the percentage movement in the consumer price index (CPI all groups) for the 12-month period ending on 31 March in the previous calendar year

**customer-owned assets** means any **connection works** whose ownership does not transfer to a **distributor**, such that a **consumer** will retain responsibility for its operation, maintenance and renewal or disposal

**customer-selected enhancement** means any improvement to the **relevant minimum scheme** requested, and agreed to in writing, by a **connection applicant**

**dedicated assets** means any **assets** owned or operated by a **distributor** that were built for a **consumer** and are not subsequently used to support a **connection** for another **consumer**

**disclosure year**, for the purposes of Part 6B, means the 12-month period in which information disclosures are required of a **distributor** under section 53C of the Commerce Act 1986 and, if no such year is specified or if more than one 12-month period applies to the **distributor** under those information disclosure requirements, means the 12-month period ending on 31 March of the year a disclosure relates to

**distributor-selected enhancement** means any improvement to the **relevant minimum scheme** chosen by a **distributor**

**electricity lines services** has the meaning given in section 54C of the Commerce Act 1986

**extension cost** means the cost of **connection works**, excluding any **network capacity cost** (or the **network capacity upgrade** portion, if applicable, of **connection works**)

**first pioneer** is defined in the definition of **pioneer**

**flexible connection** means an arrangement whereby a **connection applicant's** export or import of **electricity** is managed (often through real-time control) based upon contracted and agreed principles of available security or capacity

**good electricity industry practice** means, for the purposes of Part 6B, the exercise of that degree of skill, diligence, prudence, foresight and economic management, as determined by reference to good international practice, which would reasonably be expected from a skilled and experienced **distributor** engaged in the management of a **distribution network** under conditions comparable to those applicable to the **distributor's distribution network** consistent with applicable law, safety and environmental protection and taking into account factors such as the relative size, duty, age and technological status of the relevant distribution network

**incremental cost estimate** means an estimate of the incremental cost of a **connection** calculated in accordance with subclause 6B.13(2)

**incremental revenue estimate** means an estimate of the incremental revenue from a **connection** calculated in accordance with subclause 6B.13(3)

**incremental transmission cost** means an estimate of the incremental cost of transmission services resulting from **connection works** where there is an identifiable and material change in transmission costs associated with the **connection**, including—

- (a) a change in transmission charges due to a benefit-based charge adjustment event under paragraph 81(1)(e),(g),(i) or (l) of the **transmission pricing methodology**; or
- (b) new transmission charges relating to a high-value post-2019 BBI (as those terms are defined in the **transmission pricing methodology**); or
- (c) works to increase security or capacity of transmission connection **assets** or establish a new transmission connection

**load** means the electrical **load** of a **consumer installation** connected to a **distribution network** or to a **consumer installation** that connects to a **distribution network**

**minimum flexi scheme** means **connection works** that deliver a **flexible connection** at lower cost than the **minimum scheme**

**minimum scheme** means the least-cost solution for any **connection works** provided by a **distributor**, including for security and firmness of capacity, in accordance with **good electricity industry practice** or a lower standard if agreed to in writing between the **connection applicant** and the **distributor**

**net incremental cost** means **incremental cost estimate** less the **incremental revenue estimate** for a **connection**

**network capacity cost** means the cost of consuming or adding capacity in the **shared network**

**network capacity upgrade** means works (other than **network extensions**) or operating arrangements that increase the capacity of the **shared network**

**network extension** means **connection works** that tie a proposed **connection** to a **shared network**

**network cost contribution** means the difference between the **connection charge** for a **connection** (not including any **fees** or **pioneer scheme contributions**) and the **net incremental cost** of that **connection**

**network costing zone** means the part of a **distribution network** to which a common **posted capacity rate** applies

**network tier** means any one of the following functional components of a **distribution network**:

- (a) sub-transmission line; or
- (b) zone substation; or
- (c) high voltage feeder; or
- (d) distribution substation; or

- (e) low voltage mains

**nominal capacity increment** means an amount of added capacity commensurate with the assumptions used to derive a **posted capacity rate**

**pioneer** means—

- (a) the **connection applicant** referred to in paragraph (b) of the definition of **pioneering connection works** (the **first pioneer**);
- (b) any **connection applicant** who subsequently **connects** to the **pioneering connection works** (a **subsequent pioneer**) and—
  - (i) who makes a **pioneer scheme contribution** of more than the amount of \$10,000 in December 2025 dollar terms, adjusted each year by the **CPI movement**; and
  - (ii) is determined by the relevant **distributor** to be a **pioneer** under clause 6B.9(1)(b)

**pioneering connection works** means **connection works** where—

- (a) the **connection works cost** is more than the amount of \$30,000 in December 2025 dollar terms, adjusted each year by the **CPI movement**; and
- (b) that cost is initially met by a **connection applicant**; and
- (c) the **connection applicant** has not opted out of applying a **pioneer scheme** to the **connection works** by agreeing in writing with the **distributor** who carried out the **pioneering connection works** that the **pioneering connection works** should not form part of a **pioneer scheme**; and
- (c) it is feasible that other parties may seek to **connect** to all or part of, or make use of, the **connection works** at a later date

**pioneer scheme** means—

- (a) an arrangement that covers any part of a **distributor's network** that comprises **pioneering connection works**, and includes an **acquired pioneer scheme**; and
- (b) a **vested pioneer scheme**

**pioneer scheme contribution** means a payment to be made by a **connection applicant** to a **distributor**—

- (a) determined in accordance with clause 6B.10; and
- (b) for the purposes of preparing a **connection charge reconciliation** also means any similar legally binding obligation put in place for any **connection works** built or established for a single **consumer** prior to 1 April 2026

**pioneer scheme policy** means a policy **published** in accordance with clause 6B.11

**pioneer scheme pricing methodology requirements** means the **connection pricing methodologies** set out in clauses 6B.8 to 6B.11

**posted capacity rate** means the estimated average cost per capacity unit for a **network capacity upgrade** for a given **network tier** and **network costing zone**, where the rate may be set to zero if the **distributor** reasonably considers there is no foreseeable need within the **distributor's** applicable network planning horizon for a **network capacity upgrade**

**posted connection charge** means a **connection charge**, other than any **connection fees** or **pioneer scheme contributions**, that is **published** by a **distributor** that applies to any **connection** of a type that meet requirements specified by the **distributor**

**posted extension rate** means a unit rate that has been **published** by a **distributor** for use in building up **extension cost** estimates for **connections** of a type specified by the **distributor** that meet requirements specified by the **distributor**

**real estate development** means the development of land for a commercial purpose including its development in one or more of the following ways:

- (a) subdivision:
- (b) the construction of commercial or industrial premises (or both):
- (c) the construction of multiple new residential premises

**rebate** means any disbursement, credit or deduction made to a **pioneer** by a **distributor** in accordance with clause 6B.10(5)

**relevant minimum scheme** means a **minimum scheme** or, if a **connection applicant** requests it and the **distributor** can supply it, a **minimum flexi scheme**

**selling distributor** is defined in the definition of **acquired pioneer scheme**

**shared network** means any part of a **distribution network** that is not **customer-owned assets** or **dedicated assets**

**start date**, for a **pioneer scheme**, means the date the first **pioneer** for the **pioneer scheme** made its first **connection charge** payment (not including **connection fees**) in relation to the **pioneering connection works** or the **vested works** subject to the **pioneer scheme**

**subsequent pioneer** is defined in the definition of **pioneer**

**typical connection activity** means a level and mix of **connection** activity adjusted for **connections** that are outliers in terms of their **connection charge** outcome and have a material impact on overall **capital contribution reliance** in a year

**vested pioneer scheme** means an arrangement that covers any part of a **distributor's network** where a **consumer** carried out or funded works that were initially owned by the **consumer** and the **distributor** to whose **network** the works were **connected** agreed to take ownership of those works and for those works to form a **pioneer scheme**

**vested works** means the works carried out or funded by a **consumer** as referred to in the definition of **vested pioneer scheme**

## Part 6B

### Distributor pricing methodologies, information requirements and other requirements for load connections

#### 6B.1 Contents of this Part

This Part specifies—

- (a) **connection pricing methodologies** which are the pricing methodologies that must be applied by **distributors** in relation to **connection charges**; and
- (b) information requirements for **distributors** in relation to access to **distribution networks**; and
- (c) application of the dispute resolution process in Schedule 6.3 to the requirements under this Part where **connection applicants** are **participants** and enhancement of the processes available to non-participants.

#### 6B.2 Application of this Part

(1) This Part does not apply to—

- (a) **connections** for **distributed generation** made under Part 6; or
- (b) any **connection application** for which a quote was provided prior to 1 April 2026; or
- (c) a **distributor** in respect of the **distributor's** ownership or operation of an **embedded network** that conveys less than 5 GWh of **electricity** per annum; or
- (d) existing **load connected** to, or a **connection applicant** seeking to **connect load** to, an **embedded network** that conveys less than 5 GWh of **electricity** per annum.

(2) For the avoidance of doubt:

- (a) if a **connection applicant** is seeking to **connect** both **distributed generation** under Part 6 and **load** under Part 6 and this Part, this Part applies to the **connection application** for load despite subclause (1)(a).
- (b) a **connection applicant** who is not a **participant** is not required to comply with this Part and cannot be subject to the enforcement measures set out in the **Act** or the Electricity Industry (Enforcement) Regulations 2010 for failing to comply with this Part.

#### *Connection pricing methodologies*

#### 6B.3 Distributors must comply with connection pricing methodologies

(1) Each **distributor** must apply the **connection pricing methodologies** in subclause (2) in setting **connection charges**, including in the calculation of quoted charges and application of such charges, the allocation of costs to customers, and in otherwise recovering or allocating **connection works costs**.

(2) The **connection pricing methodologies** are:

- (a) the **connection enhancement cost requirements** in clauses 6B.4 and 6B.5:
- (b) the **capacity costing requirements** in clause 6B.6:
- (c) the **capital contribution reliance limit for load methodology** in clause 6B.7:
- (d) the **pioneer scheme pricing methodology requirements** in clauses 6B.8 to 6B.11; and.

- (e) the **connection charge reconciliation methodology requirements** in clauses 6B.12 and 6B.13.

*Connection enhancement cost requirements*

**6B.4 Allocation of connection enhancement costs**

- (1) Subject to subclauses (2) to (4) and clause 6B.10, each **distributor** in determining the **connection charges**, other than **connection fees**, that it requires a **connection applicant** to pay for or in respect of a **connection** or any increase in security or **capacity** at a **point of connection** or for an **asset**—
  - (a) must determine those **connection charges** on the basis of the **relevant minimum scheme**, unless the **connection applicant** agrees in writing to improvements to the **relevant minimum scheme**;
  - (b) if improvements are made to the **relevant minimum scheme**, must allocate only the **customer-selected enhancement costs** to the **connection applicant**, in addition to the costs of the **relevant minimum scheme**; and
  - (c) must not allocate any **distributor-selected enhancement costs** to the **connection applicant**.
- (2) If a **connection applicant** and **distributor** agree in writing that the **distributor** does not need to determine the cost of the **relevant minimum scheme**, the **distributor** does not need to determine charges in accordance with subclause (1).
- (3) If a **connection applicant** and **distributor** agree in writing to an alternative allocation of **connection enhancement costs** than set out in subclause (1), the **distributor** does not need to determine charges in accordance with subclause (1).
- (4) If a **distributor publishes posted connection charges**, it may use those charges to determine the charges under subclause (1), instead of applying subclauses (1)(a) to (1)(b), where the **connection** is of the type and meets the requirements specified by the **distributor** for the **posted connection charge**.

**6B.5 Calculation of connection enhancement costs**

If a distributor **publishes posted extension rates** it must use those rates to determine the costs under a **relevant minimum scheme** or for any **customer-selected enhancement costs**, where the **connection works** are of the type and meet the requirements specified by the **distributor** for the **posted extension rate**.

*Capacity costing requirements*

**6B.6 Capacity costing requirements**

- (1) If a **distributor** intends to include or includes **network capacity costs** in the charges payable by a **connection applicant** for or in respect of any **connection works**, it must—
  - (a) determine a **posted capacity rate** for each **network tier** and **network costing zone** in respect of which it imposes **network capacity costs** for each current **disclosure year** and the following four **disclosure years** on an annual rolling basis; and
  - (b) not revise the **posted capacity rates** and **nominal capacity increments published** under paragraph (a) for the current **disclosure year** and the following **disclosure year**; and



- (c) determine the **capacity demand assumption** for each **network tier** and **network costing zone** to which each **connection application** that it receives relates, if it intends to include **network capacity costs** in the charges payable by a **connection applicant**; and
  - (d) use the **posted capacity rate** and **capacity demand assumption** applicable to each **network tier** and **network costing zone** to which the **connection application** relates in determining the **network capacity costs** included in the charges payable by the **connection applicant**.
- (2) If the **capacity demand assumption** determined by a **distributor** for a **network tier** (other than **distribution** substations and low voltage mains) is greater than 80% of the **nominal capacity increment** for that **network tier**, the **distributor** may use estimated capacity upgrade costs for that **network tier** instead of the **posted capacity rate** in the calculation under subclause (1)(d).
  - (3) If the **distributor** determines that the estimated cost per unit to add capacity at a **network tier** is more than 150% of the applicable **posted capacity rate** for that **network tier**, the **distributor** may use the estimated rate instead of the **posted capacity rate** in the calculation under subclause (1)(d).

*Capital contribution reliance limit for load methodology*

**6B.7 Capital contribution reliance limit for load methodology**

- (1) Each **distributor** must, in setting or amending its policy or methodology for determining capital contributions (or any standard schedule of capital contribution charges), make best endeavours to ensure the policy or methodology (or schedule) is unlikely to result in its **capital contribution reliance for load** exceeding its **capital contribution reliance limit for load**.
- (2) Subject to subclause (3), each **distributor** must determine its **capital contribution reliance limit for load** so that it is no higher than—
  - (a) its **capital contribution reliance** for the year ended 31 March 2024; or
  - (b) 47%.
- (3) If a person acquires any **assets** that were a part (or the whole) of a **distribution network** after 31 March 2024, the requirements in subclause (2) that applied to the previous owner in respect of those **assets** immediately before the acquisition apply to the person in respect of those **assets**.

*Pioneer scheme pricing methodology requirements*

**6B.8 Distributors must establish a pioneer scheme policy**

- (1) Each **distributor** must establish a **pioneer scheme policy** by 1 April 2026,
- (2) The **pioneer scheme policy** must set out how the **distributor** will—
  - (a) apply the requirements in clauses 6.B.9 and 6B.10, including:
    - (i) how it will determine whether a **pioneer scheme** exists; and
    - (ii) how it will determine the matters in clause 6B.9(1)(b) and 6B.9(3); and
    - (iii) otherwise administer **pioneer schemes**.

**6B.9 Requirements for a pioneer scheme**

- (1) For the purposes of clause 6B.8, this clause and clause 6B.10—

- (a) a **pioneer scheme** continues from its **start date** until the expiry date set by the **distributor**, which must be not less than 10 years from the **start date**, unless each **pioneer** to a **pioneer scheme** and the **distributor** agree in writing that the scheme shall cease; and
  - (b) a **distributor** may determine which **connection applicants**, other than the **first pioneer**, are **subsequent pioneers**.
- (2) For the purposes of this clause and clause 6B.10, a **distributor** must—
- (a) determine whether a **pioneer scheme** exists in accordance with this Part and its **pioneer scheme policy**; and
  - (b) record the location of each **pioneer scheme** on its **distribution network**.
- (3) Each **distributor** must determine for each **pioneer scheme** additional or more detailed pricing methodologies to those set out in clause 6B.10 specifying how it will—
- (a) administer and collect **pioneer scheme contributions** in a way that is consistent with clause 6B.10; and
  - (b) determine **rebates** in a way that is consistent with clause 6B.10 in compliance with clause 6B.10; and
  - (c) how it will determine which **connection applicants** are eligible for **rebates** in a way that is consistent with clause 6B.10.
- (4) A **distributor** must treat all **connection applications** to **connect** to **assets** that are subject to a **pioneer scheme** as subject to the **pioneer scheme**.
- (5) If a **pioneer scheme** is an **acquired pioneer scheme**, the **purchasing distributor**—
- (a) must not change any aspect of the matters determined for the **pioneer scheme** by the **selling distributor** or the **pioneer scheme policy** for that scheme set by the **selling distributor**; and
  - (b) **must** continue to administer, and comply with, those requirements and that **pioneer scheme policy** in complying with clauses 6B.10, 6B.11 and this clause.

**6B.10 Determining connection charges, contributions and rebates for pioneer schemes**

- (1) From 1 April 2026, where there is a **pioneer scheme**, the **distributor** must determine the **connection charges** and, where applicable, any other charges, for—
- (a) the **first pioneer** to the scheme in accordance with subclause (2); and
  - (b) for each **subsequent pioneer** to the scheme and each other **connection applicant** that **connects** to the scheme in accordance with subclause (3).
- (2) The **distributor** must determine the **connection charges** and any other charges payable by the **first pioneer** to a **pioneer scheme** in accordance with the following:
- (a) the **distributor** must determine the **connection charges** in accordance with the **connection enhancement cost requirement**, the **capacity costing requirements** and the **distributor's** policy or methodology for determining capital contributions (or standard schedule of capital contribution charges):
  - (b) from the time that any other **pioneer** or other **connection applicant connects** to the scheme, in determining any remaining **connection charges** or any other charges that the first **pioneer** must pay, the **distributor** must apply a **rebate** determined in accordance with subclause (5):
  - (c) the **distributor** must otherwise comply with its **pioneer scheme policy** and the matters determined under clause 6B.9.

- (3) The **distributor** must determine the **connection charges** and any other charges payable by each **subsequent pioneer** or other **connection applicant** that **connects** to a **pioneer scheme** in accordance with the following:
- (a) the **pioneer scheme contribution** requirements set out in subclause (4):
  - (c) the **distributor** must continue to apply the **capacity costing requirements** and the **distributor's** policy or methodology for determining capital contributions (or standard schedule of capital contribution charges):
  - (d) if the **connection applicant** is a **subsequent pioneer**, from the time that any other **pioneer** or other **connection applicant** connects to the scheme, in determining any remaining **connection charges** or any other charges that the **pioneer** must pay, the **distributor** must apply a **rebate** determined in accordance with subclause (5):
  - (e) the **distributor** must otherwise comply with its **pioneer scheme policy** and the matters determined under clause 6B.9.
- (4) The **pioneer scheme contribution** is to be determined as follows:
- (a) in determining the costs of the **pioneering connection works** or **vested works**—
    - (i) the **distributor** must use the actual costs if these are known to the **distributor**:
    - (ii) if the actual costs are not known to the **distributor** (for example, if the **pioneering connection works** or **vested works** were constructed or contracted by a person other than the **distributor**), the **distributor** may use its estimated costs of the works:
    - (iii) if the **distributor** is using information provided by the **consumer** who constructed or paid for any **vested works**, the **distributor** must be reasonably satisfied that the information is accurate:
  - (b) the **distributor** must apply straight-line depreciation to the costs of the **pioneering connection works** or the **vested works** that the **pioneer scheme** relates to in order to determine the present-day value of those costs each time it calculates **pioneer scheme** contributions, using a depreciation period of 20 years; and
  - (c) the **distributor** must take into account shares of extension length and capacity of the **pioneer scheme** among the parties **connected** or **connecting** to the **pioneer scheme** and
  - (d) **pioneer scheme contributions** must not be collected if—
    - (i) the **pioneer scheme contribution** would be less than the amount of \$1,000 in December 2025 terms adjusted each year by the **CPI movement**; and
    - (ii) a **connection applicant** is applying for a **connection** within the **real estate development** boundary of an earlier **pioneer**.
- (5) The **rebate** due to a **pioneer** must be determined in a way that shares any **pioneer scheme contribution** received by a **distributor** among all **pioneers** who are connected to a **pioneer scheme** proportionate to the extent to which each **pioneer** has met the costs of the **pioneering connection works** or the **vested works**.

#### **6B.11 Distributors must publish information on pioneer schemes**

Each **distributor** must—

- (a) **publish** its **pioneer scheme policy**:

- (b) make each **connection applicant** aware of the existence of the **pioneer scheme policy**:
- (c) **publish** the **details** of each **pioneer scheme** it administers, applying the requirements in clause 6.9, including the following information:
  - (i) the location of the **pioneer scheme** on its **network**:
  - (ii) the **start date** of the **pioneer scheme**:
  - (iii) the expiry date of the **pioneer scheme**:
  - (iv) how **pioneer scheme contributions** are to be determined:
  - (v) how it will administer and collect **pioneer scheme contributions**; and
  - (vi) how it will determine **rebates**:
  - (vii) how it will determine which **connection applicants** are eligible for **rebates**.

*Connection charge reconciliation methodology requirements*

**6B.12 Distributor must provide connection charge reconciliation on request**

- (1) If requested by a **connection applicant**, or as otherwise required under subclause (2), a **distributor** must provide a written **connection charge reconciliation**.
- (2) A **distributor** must, when providing a quote for the **connection charge** or **connections charges**, other than **connection fees** or **pioneer scheme contributions**, in respect of any **connection works**, either—
  - (a) provide a written **connection charge reconciliation**; or
  - (b) notify the **connection applicant** of their right to request a written **connection charge reconciliation** under this clause.
- (3) If requested by the **Authority**, a **distributor** must—
  - (a) provide information on **connection charge reconciliation** amounts to the **Authority** within the timeframe specified by the **Authority**; and
  - (b) in doing so, provide sufficient information under paragraph (a) to enable the **Authority** to understand how the **distributor** determined those amounts.

**6B.13 Connection charge reconciliation requirements**

- (1) A **connection charge reconciliation** must show:

$$CC = (IC - IR) + NC$$

where

CC is the **connection charge** or **connection charges**, other than any **connection fee** or **pioneer scheme contribution**

IC is the **incremental cost estimate**

IR is the **incremental revenue estimate**

NC is the **network cost contribution**

- (2) A **distributor** must assess the **incremental cost estimate** under subclause (1) in accordance with the following formula:

$$IC = EC + CSE + NCC + ITC$$

where

IC is the **incremental cost estimate**

EC is the **extension cost** of the **relevant minimum scheme**

CSE is the **customer-selected enhancement** costs, if any

NCC is the **network capacity cost** calculated in accordance with clause 6B.6

ITC is the **incremental transmission cost**, if any

- (3) A **distributor** must assess the **incremental revenue estimate** by—
- (a) estimating revenue from **electricity lines services** (excluding **connection charges** and **connection fees**) the **distributor** will receive in respect of the **connection** in the first 12 months following the **electrical connection** of the **connection** or the completion of the **connection works**, whichever is later; and
  - (b) estimating revenue for subsequent years by adjusting the estimate derived under paragraph (a) for—
    - (i) forecast changes in demand at the **connection** (if any); and
    - (ii) forecast changes in revenue per **connection**, in real terms, for any years for which the **distributor** has a reasonable revenue path forecast; and
    - (iii) forecast changes in tariff structures or levels for any years for which the **distributor** has a reasonable price path forecast; and
  - (c) discounting the estimate under paragraph (b) to its present value using—
    - (i) a duration from the beginning of the first full year of operation equal to the **connection revenue life**; and
    - (ii) a discount rate equal to the most recent available mid-point estimate of vanilla WACC (being the weighted average cost of capital) made by the Commerce Commission in accordance with the Electricity Distribution Information Disclosure Determination 2012 made under Part 4 of the Commerce Act 1986 less an adjustment to remove inflation consistent with inflation projections for the year ahead from the most recent Monetary Policy Statement published by the Reserve Bank of New Zealand; and
  - (d) multiplying the amount derived after the application of paragraph (c) by 0.9 to adjust for incremental operational expenditure costs.
- (4) A **distributor** may further adjust the calculation of the amounts of the CC, IC and IR in subclauses (1) and (2) to recognise differences in the timing of cashflows using a discount rate for each year consistent with the rate determined in subclause (3)(c)(ii).

*Disputes about the application of this Part*

**6B.14 Disputes between distributors and connection applicants that are participants**

If there is a dispute between a **connection applicant** that is a **participant** and a **distributor** about the application of any the **connection pricing methodologies**, either **participant** may commence the default dispute resolution process in Schedule 6.3 at any time.

**6B.15 Disputes between distributors and connection applicants that are not participants**

- (1) If a **connection applicant** that is not a **participant** is in a dispute with a **distributor** about the application of this Part, and has notified the **distributor** of the dispute, the **distributor** must attempt to resolve the dispute in good faith.
- (2) For the avoidance of doubt, nothing in this clause prevents the **connection applicant** from reporting a breach or possible breach of this Code under regulation 9 of the Electricity Industry (Enforcement) Regulations 2010 or from making a complaint to the **distributor** under regulation 5 of the Electricity Industry (Enforcement) Regulations 2010 at any time.

## Amendments to existing Code provisions (proposed amendments in red)

### 1.1 Interpretation

(1) In this Code, unless the context otherwise requires,—

**consumer installation**, for the purposes of the definition of **associated equipment**, ~~and Part 6~~ **and Part 6B**, means—

- (a) all fittings that are part of a system for conveying **electricity** from a **consumer's point of supply** to any point from which **electricity** conveyed through that system may be consumed; and
- (b) includes any fittings that are used, or designed or intended for use, by any person in, or in relation to, the generation of **electricity**—
  - (i) for that person's use and not for supply to any other person; or
  - (ii) so that **electricity** can be injected into a **distribution network**; but
- (c) does not include any appliance that uses, or is designed or intended to use, **electricity**, whether or not it also uses, or is designed or intended to use, any other form of energy

## Schedule 6.3 Default dispute resolution process

### Contents

- 1 Application of this schedule
- 2 Notice of dispute
- 3 Complaints
- 4 Application of pricing principles to disputes
- 5 Orders that Rulings Panel can make

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### 1 Application of this Schedule

This Schedule applies in accordance with clause 6.8 **and clause 6B.14 of this Code**.

### 2 Notice of dispute

- (1) A party must give written notice to the other party of the dispute.
- (2) The parties must attempt to resolve the dispute with each other in good faith.
- (3) If the parties are unable to resolve the dispute, either party may complain in writing to the **Authority**.

### 3 Complaints

- (1) A complaint made under clause 2(3) must be treated as if it were a notification given under regulations made under section 112 of the **Act**.
- (2) The following provisions apply to the complaint:
  - (a) sections 53-62 of the **Act**; and
  - (b) the Electricity Industry (Enforcement) Regulations 2010 except regulations 5, 6, 7, 9, 17, 51 to 75, and subpart 2 of Part 3.
- (3) Those provisions apply—

- (a) to the dispute that is the subject of the complaint in the same way as those provisions apply to a notification of an alleged breach of this Code; and
- (b) as if references to a **participant** in those provisions were references to a party under Part 6 of this Code; and
- (c) with any further modifications that the **Authority** or the **Rulings Panel**, as the case may be, considers necessary or desirable for the purpose of applying those provisions to the complaint.

#### ~~4 Application of pricing principles to disputes~~

- ~~(1) The Authority and the Rulings Panel must apply the pricing principles set out in Schedule 6.4 to determine any connection charges payable.~~
- ~~(2) Subclause (1) applies if—~~
  - ~~(a) there is a dispute under Part 6 of this Code; and~~
  - ~~(b) in the opinion of the Authority or the Rulings Panel it is necessary or desirable to apply subclause (1) in order to resolve the dispute.~~

#### 4 Application of pricing principles to disputes

- (1) The Authority and the Rulings Panel must:
  - (a) in relation to a dispute under clause 6.8, apply the **distributed generation** pricing principles set out in Schedule 6.4 to determine any connection charges payable in respect of connections of **distributed generation**;
  - (b) in relation to a dispute under clause 6B.14, apply the **connection pricing methodologies** set out in Part 6B to determine any **connection charges payable in respect of connections of load**.
- (2) Subclause (1) applies if—
  - (a) there is a dispute under Part 6 or Part 6B of this Code; and
  - (b) in the opinion of the **Authority** or the **Rulings Panel** it is necessary or desirable to apply subclause (1) in order to resolve the dispute.

#### **5 Orders that Rulings Panel can make**

If a complaint is referred to it, the **Rulings Panel** may make any order, or take any action, that it is able to make or take in accordance with section 54 of the **Act**.