Settlement agreement

Regulation 24(1) Electricity Industry (Enforcement) Regulations 2010

Dated: TBC

Between:

1. Pulse Energy Alliance LP, of Level 5, 33 Enfield Street, Mount Eden, Auckland 1024, NZBN9429043300020. (Pulse); and
2. The Electricity Authority Te Mana Hiko, of Level 2 and 7, AON Centre, 1 Willis Street, Wellington 6011, NZBN9429041901847, (the Authority),

(Collectively, the parties).

Background

At 9.23am on 19 November 2025, Pulse disconnected a premises at which it knew a medically dependent consumer may reside. The consumer had made Pulse aware of their medical dependency upon sign-up and again shortly after the disconnection. Pulse had the consumer as an unverified medically dependent consumer following sign-up but closing of the account by Pulse removed that status so it was not available when the disconnection occurred.

Pulse did not reconnect the premises as soon as possible as a manual reconnection was requested for power to be restored when a faster remote option was available. The premises was reconnected at 4.20pm on the same day, meaning the medically dependent consumer was without power for approximately seven hours.

Pulse submitted the notification to the Authority on 20 November 2025, 12.32pm

The source of the alleged breaches reported by the non-participant (consumer) is their notification to the Authority and includes the disconnection event, the delay in reconnecting, and not requesting that an application is made to obtain medically dependent consumer status. These clauses were inferred from the circumstances as notified by the consumer and were deemed to be alleged by the consumer under regulation 9 of the Regulations.

The source of the alleged breaches allegations reported by the Authority is the same consumer notification but cover obligations that it is not reasonable that the consumer would specifically be aware of, including notifying the Authority of the disconnection and declining an application to obtain medically dependent consumer status without waiting the required time.

These allegations were made by the Authority under regulation 9 of the Regulations.

The Authority is a party to this Settlement Agreement in accordance with regulation 18(b)(ii) of the Regulations.

The parties have agreed to settle the alleged breaches on the terms contained in this settlement agreement.

It is agreed:

1. Interpretation

1.1 In this Agreement, unless the context requires otherwise:

a) **Agreement** means this settlement agreement:
b) **Alleged Breaches** means the alleged breaches of the Code arising from the events on 19 November 2026 and as set out in clause 2.
c) **Approval date** means the date the parties to this Agreement are notified that the Electricity Authority has approved this Agreement under regulation 24(4) of the Regulations;
d) **Circumstances** means the circumstances set out in clause 3;
e) **Regulations** means the Electricity Industry (Enforcement) Regulations 2010;
f) **Code** means the Electricity Industry Participation Code 2010.

2. Alleged Breaches

2.1. A non-participant alleged that Pulse had breached clauses 37(1), 39(a), 39(b)(ii), 48(1), and 48(2) of Part 11A Schedule 11A.1 of Code.
2.2. The Authority alleged that Pulse had breached clauses 37(3), 38(1)(a), 53(2), and 54(1) of Part 11A Schedule 11A.1 of the Code.

3. Circumstances of the Alleged Breaches

3.1. In late October 2025, the consumer signed up with Pulse via a door-to-door sales agent. The consumer said they told the sales agent during sign-up that there was a medical alarm and medical bed at the premises.
3.2. According to Pulse, on 28 October 2025 it sent the consumer an application form for medically dependent status and it marked the customer's account as 'unconfirmed' medical dependency status. The consumer later advised they never received this documentation.
3.3. On 18 November 2025 at 8.13am, the consumer phoned Pulse to cancel their old account at a previous address and during this call the Pulse agent confirmed with the consumer "Yes, I can see there is a medically dependant unconfirmed on there".
3.4. Pulse has since stated that, during the 18 November call, the consumer confirmed there was no electrical medical equipment at the premises and no one at the property was a medically dependent consumer. This information is not consistent with the voice recording we have since reviewed, where the Pulse agent states "Are you using any medically dependent machines or devices on your property?" and the consumer responds, "The medically dependent alarm".

3.5. On 19 November 2025 at 9.23am, Pulse disconnected the premises when it inadvertently closed both customer accounts in error instead of only closing one account.

3.6. At 9.55am on the same day, the consumer contacted Pulse to report they had no power and advised they were a medically dependent consumer. The Pulse agent asked the consumer "Are you using any medically dependent machines or devices on your property?", to which the consumer replied "Yes". The Pulse agent told the consumer it would take four to six hours for power to be restored.

3.7. At 3.20pm, the consumer called the Authority's contact centre to report the disconnection and advised they were a medically dependent consumer. The consumer stated that "I'm dependent on the electricity here and I can't get out of bed, a bit worried about what to do."

3.8. At 3.26pm, the Authority's contact centre phoned Utilities Disputes Limited (UDL) to initiate the reconnection process with Pulse.

3.9. At 4.20pm, power was restored by a contractor at the consumer's address.

4. Settlement

The parties agree that:

4.1. Pulse applies the offered credit of [redacted]

4.2. That Pulse removes any early exit or penalty fees to allow the customer to exit their contract with Pulse.

4.3. Given the potential harm for other consumers:

4.3.1. Pulse implements a clear and accessible pathway for customers in urgent situations (such as an inadvertent disconnection) to contact someone with the ability to resolve their situation swiftly. Some customers are much less comfortable with digital channels and there needs to be easier access to contact those that can help in an emergency.

4.3.2. Pulse undertakes remedial action to ensure that the root causes of the Alleged breaches are addressed by no later than two weeks after the execution of this Settlement Agreement.

4.4. Pulse will provide the Authority with written confirmation and evidence that the settlement terms have been fulfilled, no later than two weeks after the execution of this Settlement Agreement,

5. Confidentiality

5.1. If the Authority decides under regulation 25(2) of the Regulations not to publicise any part of this Agreement, each party will treat that part of the Agreement as confidential information and will not disclose it other than:

a) to the party's employees or contractors who need to know the confidential information to implement or monitor the implementation of this Agreement;
b) to the party's professional advisers, auditors and bankers;
c) as required by law or for the purposes of judicial proceedings;
d) as required by any securities exchange or regulatory or governmental body to which the party is subject or submits; or
e) as authorised in writing by the other parties.

5.2. A party must not disclose confidential information under clause 5.1(a) or (b) unless the party obtains a confidentiality undertaking from the person to whom the confidential information is to be disclosed on terms no less onerous than those set out in clause 7 before disclosing the confidential information.

5.3. Any confidential information to be disclosed in the circumstances set out in clause 5.1(c) or (d) may only be disclosed after written notice to the other parties (unless the disclosing party is prevented from notifying the other parties by law).

6. Agreement subject to approval

6.1. Subject to clause 6.2, this Agreement will come into effect on the Approval date.

6.2. Clause 5 is binding on the parties as from the date of this Agreement. Pending the Authority's approval of this Agreement under regulation 24(4) of the Regulations, clause 5 will apply as if the Authority has decided under regulation 25(2) of the Regulations not to publicise any part of this Agreement or the existence of this Agreement.

6.3.

7. Settled of Alleged breaches

7.1. This Agreement is in full and final settlement of all claims, actions and demands against any party (under the Regulations, the Code or otherwise) in relation to:
(a) the Alleged breaches; and
(b) any other breach of the Regulations or Code involved in or arising from the Circumstances that the claiming party ought reasonably to have known about at the date of this Agreement,
(c) (the Alleged breaches and such other breaches together the **Settled Breaches**).

7.2. Subject to regulation 26 of the Regulations, this Agreement is also binding on the Authority and all participants who are not a party to this Agreement to the effect that:
(a) the Authority may not on its own initiative instigate a further breach investigation, or take any enforcement action in respect of, the Settled Breaches; and
(b) a participant who is not a party to this Agreement may, in accordance with regulation 26 of the Regulations, make a further notification under regulation 7 or 8 of the Regulations in relation to a Settled Breaches, and the Authority may then

take all or any of the steps provided for in the Regulations despite this Agreement.

8. General

8.1. Each party will execute all documents and do, or refrain from doing, all other reasonable things necessary or desirable to give full effect to the provisions of this Agreement, including to secure the Authority's approval of this Agreement under regulation 24(4)(a) of the Regulations.

8.2. This Agreement is the whole and only agreement between the parties relating to the settlement of claims, actions and demands arising from the Circumstances. Each party acknowledges that it has not been induced to enter into this Agreement by any representation made by or on behalf of the other party that is not repeated in this Agreement.

8.3. This Agreement may be signed in any number of counterparts.

Signed:

For Pulse Energy Alliance LP

Name: Donna Williams

Position: Head of Customer Experience

Date: 14.9.2026

Signed:

For the Electricity Authority Te Mana Hiko

Name: Airihi Mahuika

Position: General Manager Legal, Monitoring and Compliance

Date: 24/09/2026