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Electricity Authority

By email: connection.feedback@ea.govt.nz

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Reducing barriers for new connections: up-front charges and distributor obligations

This is Vector's submission on the Electricity Authority's (the Authority) consultation paper "Reducing barriers for new connections: up-front charges and distributor obligations", Part C - Connection pricing amendments.¹ No part of this submission is confidential; it can be shared publicly.

PART C – Minor amendments to the Code (connection pricing requirements)

Vector appreciates the clarifications and corrections to the proposed Code amendments. Overall, we support the amendments however we have concerns over the uncertainty of the changes and how close they are likely to be to the 1 April 2026 implementation date.

With proposed Code amendments so close to the 1 April 2026 implementation date, it's difficult to lock down methods, models, calculations, digital solutions and documentation along with conducting internal and external reviews.

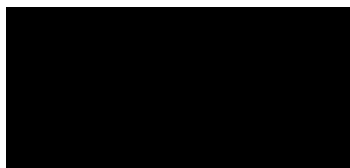
This uncertainty will persist until the Code amendments are approved and gazetted, as the Authority's review of submissions, including potentially differing views in cross-submissions due 5 February 2026, may result in amendments that differ from both earlier proposals and the current consultation paper. This will require Electricity Distribution Businesses (EDBs) to review, rewrite and redevelop their policies, models and underlying operational processes and systems, especially as they relate to managing pioneer schemes and connection charge reconciliation.

Code changes so close to implementation date also puts at risk one the expectations the Authority has for the Fast Track Measures in that where possible EDBs standardise and align approaches.

The late changing Code amendments may increase the unintentional inconsistencies or risk of non-compliance on 1 April 2026. It would be worthwhile the Authority issuing material on how they would likely respond to non-compliance with the proposed Code changes given they will have been implemented in haste by EDBs.

¹ Electricity Authority, *Reducing barriers for new connections: up-front charges and distributor obligations*, https://www.ea.govt.nz/documents/8620/Reducing_barriers_for_new_connections_-_Consultation_paper.pdf

Kind regards



Richard Sharp

General Manager Economic Regulation and Pricing

Submitter	Vector
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PART C – Minor amendments to the Code (connection pricing requirements)	
Q9. Do you have any comments on the drafting of the proposed amendments?	
1.1 Interpretation	Vector is fine with the definition amendments to connection applicant, minimum scheme, and pioneering connection works
6B.8(4)	Vector support excluding connection enhancement costs from the costs of pioneering connection works.
6B.8(5A)	Vector support returning pioneer scheme contributions to the paying party when the pioneer cannot be located after a reasonable attempt by the distributor.
6B.11(4)(c)	Vector support that the discount rate only needs to be updated annually when the weighted average cost of capital (WACC) estimate is released by the Commerce Commission
6B.11(4)(d)	Vector support correcting the error so the opex scaling factor (OSF) is to be used when the operating cost loading (OCL) is zero
6B.11(5)(d)	Vector support correcting the error so that transmission costs are excluded from the calculation of average selected opex (ASO)