

19 December 2025

Electricity Authority

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Re: Reducing Barriers for New Connections: Up-Front Charges and Distributor Obligations

Utilities Disputes Limited | Tautohetohe Whaipainga (Utilities Disputes) welcomes the opportunity to comment on the Electricity Authority's (EA) discussion paper, *Reducing Barriers for New Connections: Up-Front Charges and Distributor Obligations (Reducing Barriers Paper)*.

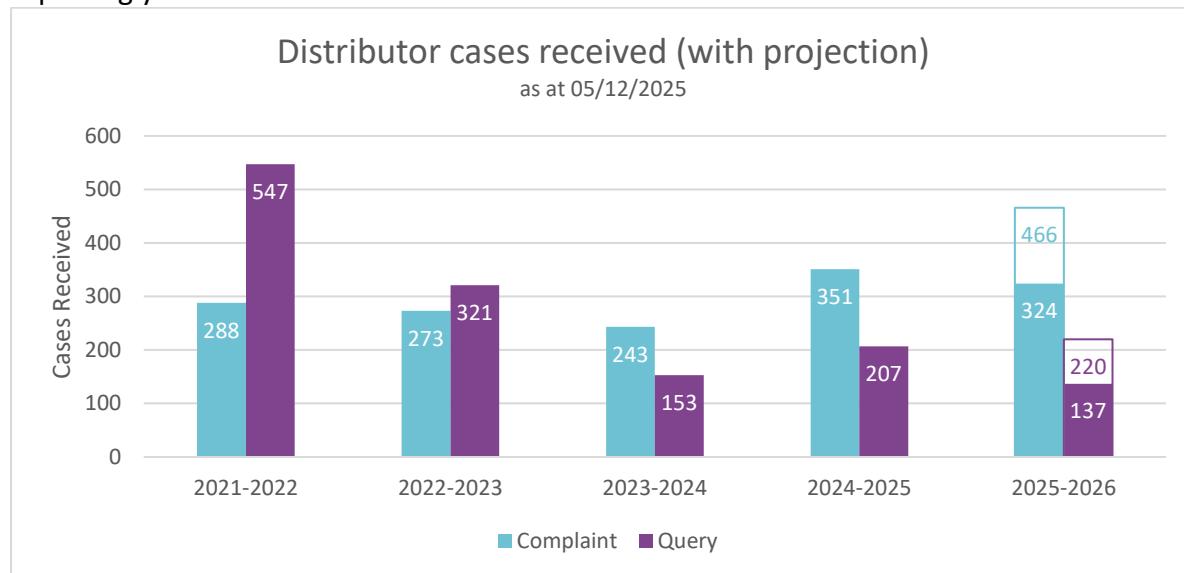
Utilities Disputes – Provider of Resolution Services

Utilities Disputes is New Zealand's leading provider of independent dispute resolution services for consumers and providers in utilities. Utilities Disputes operates the mandated Energy Complaints Scheme (ECS).¹ Utilities Disputes is a not-for-profit company and there is no charge for a consumer to make a complaint. The core purpose of the ECS is to ensure that any person who has a complaint about a retailer or distributor has access to an independent process for resolving it.² Over 2024-2025 the ECS received 7533 complaints and 11499 queries. Complaints are expected to reach almost 13,000 at the end of this reporting year. Including queries the figure rises to an estimated 25,000 contacts. Utilities Disputes also runs dispute resolution schemes in water, telecommunications, and the BSPAD scheme, which is about the laying of broadband on shared property.¹

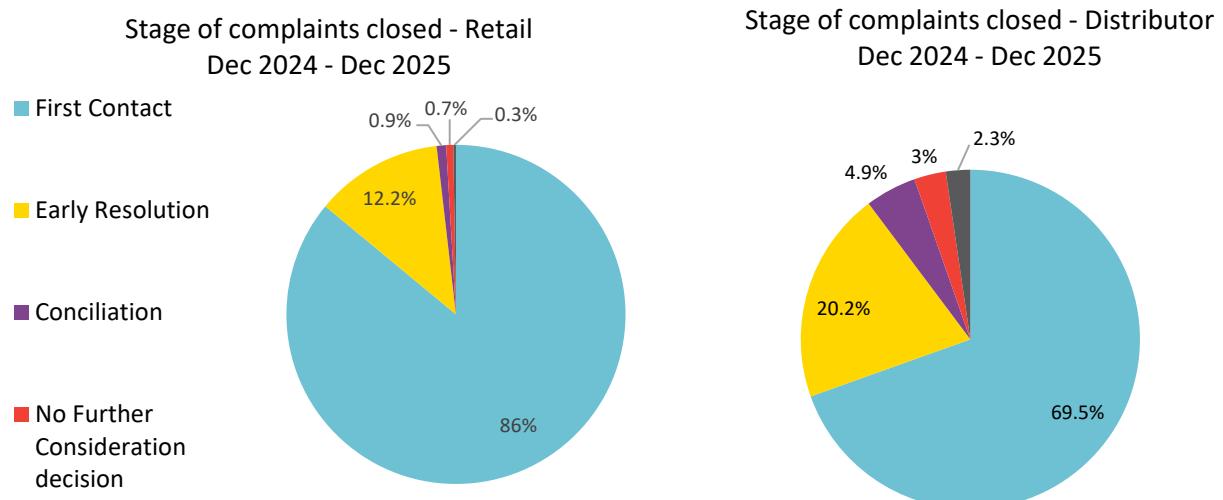
¹ Utilities Disputes Limited (UDL) voluntary telecommunications scheme is not an industry dispute resolution scheme under part 7 of the Telecommunications Act 2001. At present it has one member.

Complaints about Distributors²

As background we provide a snapshot of complaints made against distributors. Complaints against distributors have been consistent and are projected to exceed 400 complaints this reporting year.



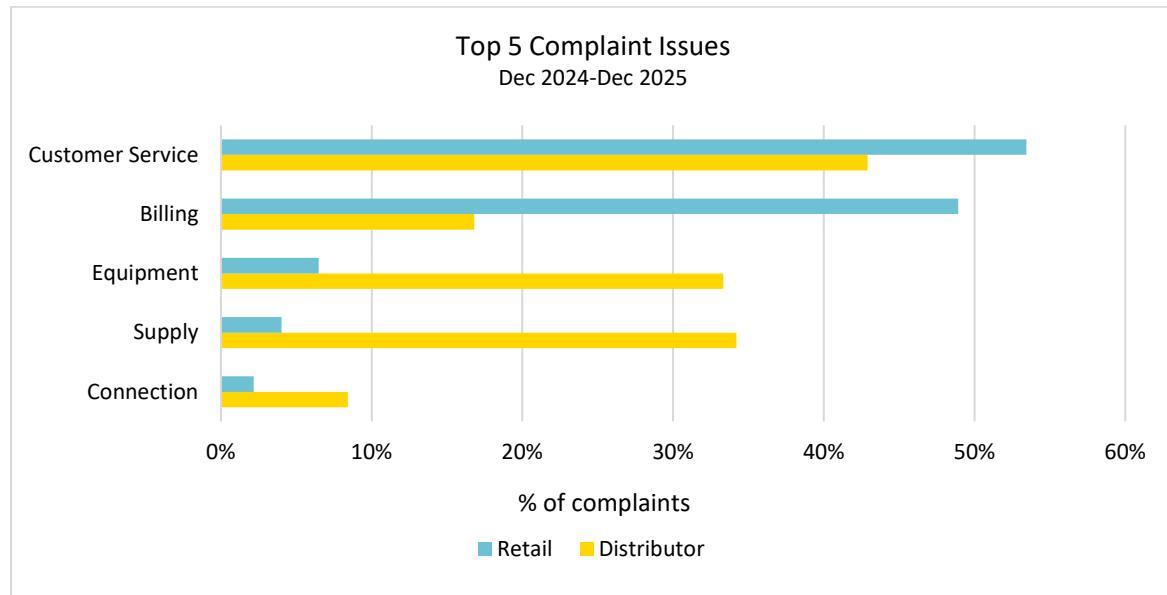
Distributor complaints compared to retailer complaints progress further into the ECS process and generally take longer to resolve than complaints against retailers. Reasons for this difference are often because distributor complaints are complex, and can often require us to consider legal principles as well as technical issues. Another reason may be that while retailers are used to immediate contact with the consumer, distributors do not have this history and often their responses to complainants can appear uneven.



There are also differences between retailers and distributors in complaint issues. Distributor complaints are often about equipment, supply and connections. Complaints about supply

² This data has been updated since first presented to the Commerce Commission (Commission): [Utilities-Disputes-Submission-on-DPP5-open-letter-7-October-2025.pdf](https://www.commission.govt.nz/assets/Utilities-Disputes-Submission-on-DPP5-open-letter-7-October-2025.pdf)

will be greater than the percentage below. Under the Consumer Guarantees Act 1993 (CGA), the guarantee of supply is against the retailer, with the retailer being the contact point for the consumer.³ In practice it is the distributor who most often knows about the cause of the outage and is responsible for restoring supply. In the last 12 months customer service issues have been the most common complaint for retailers and distributors.



Billing complaints are the second most common complaint for retailers and distributors. For distributors this most often is a dispute about a fee or charge. Below we will further drill into billing and connection data about distributors.

Response to Reducing Barriers Paper

Our response to the *Reducing Barriers Paper* focuses on issues arising from our role in resolving complaints.

- 1) The key theme in Utilities Disputes' submission is the importance of distributors ensuring their communications are fit for purpose. Fit for purpose communications are an important tool to bring about market efficiencies and this vision of the electricity sector set out by the Government:

An efficient electricity system is vital for a competitive, growing economy, environmental sustainability, and social well-being. This Government wants to improve the security and affordability of electricity to ease the cost of living for New Zealanders and reduce a barrier to economic growth.⁴

- 2) We understand that in contract negotiations there is an element of arm's length negotiation in which the distributor and potential customer must maintain their independence. Customers where appropriate will have to seek legal advice and industry expertise. However, distributors are monopolies⁵ and as such may struggle

³ See CGA s 7A.

⁴ Hon Simon Watts, *Letter of Expectations to the Electricity Authority 2025-2026*, 1.

⁵ See discussion *Reducing Barriers Paper*, 10.2.

to respond to consumers' concerns.⁶ Because of time constraints with new projects, businesses aren't always able to negotiate at arm's length and freely with their distributor. Incomplete information or information that is opaque can result in an unlevel playing field for investors.⁷

- 3) Those wishing to connect to the network have expressed frustration about communications. These comments were made principally about data to assess network availability but can be extended to other interactions:

Most feedback strongly emphasised the importance of standardising data and information to improve accessibility. Many identified the value of standardisation for both access seekers – who would benefit from clearer, easier to understand information – and distributors, who currently receive network data in varying formats.⁸

- 4) Such is the importance of this issue, Utilities Disputes wishes to stress the need for mandating clear user-friendly communications in all facets of the connection process and in any guidelines, and/or amendments to the Electricity Industry Participation Code 2010 (Code).⁹ Especially as they relate to billing, estimates, pricing, offers, disconnections and decommissioning.¹⁰

Maintaining Supply

- 5) As a case study of the importance of good communication, we note the procedure for decommissioning line function services set out in s 105 of the Electricity Industry Act 2010 (EIA). This section requires the distributor to continue to provide line function services for older connections (where they have been provided to a place on 1 April 1993).¹¹ Decommissioning may only occur with written permission of the Minister, landowner or consumer. Line function services may be temporarily suspended for reasons such as health and safety or for maintenance.¹² Utilities Disputes is in the process of resolving a cluster of complaints about the application of this section. We have already forwarded an anonymised decision to the EA. That decision and the other complaints received by Utilities Disputes appear to raise issues of legal interpretation, industry practice, the interrelationship between the

⁶ "The literature suggests that organisations with little competition such as monopolies, are slow to respond to complaints. This is because these organisations have a lower customer-orientation due to the inability of the customer to exit the relationship and the absence of market forces (in the form of lost market share) indicating to the organisation that service improvements are required." Society of Consumer Affairs Professionals Australia (SOCAP), *Return on Investment of Effective Complaints Management: Public Sector Organisations*, (Research team - University of Newcastle) June 2020, para 4.2 (textual citations not included).

⁷ Note the role of the EA to ensure a level playing field in the market, see *Letter of Expectations to the Electricity Authority 2025-2026*, 1: "Build trust and confidence: Rigorously enforce compliance with market rules and regularly publish information about electricity market performance so that electricity buyers and sellers can invest with confidence in a level playing field".

⁸ Exploring Network Visibility, "Workshop Summary", 18 September 2025. 1,

⁹ See proposal *Reducing Barriers Paper*, 11.1 et seq.

¹⁰ We note in the EA's recent billing paper, research about the importance of formatting and the placement of information on bills. This research appears to set out principles that can be applied to other communications where the consumer is seeking to cost a service, such as connections.

See EA, *Improving Electricity Billing in New Zealand*, 8 October 2025, 2.10, 3.11. 3.17. 3.75.

¹¹ See s 105 of the EIA, and the repealed s 62 of the Electricity Act 1992.

¹² See s 106 of the EIA.

Default Distributor Agreement and the EIA, and the responsibilities of distributors, retailers and consumers.

- 6) The EA has issued guidance on disconnections and decommissioning and may be of the view these issues have been settled.¹³ However the complaints indicate the application of s 105 may be uneven within the industry. The EA may wish to make further inquiries of distributors. Especially as the application of s 105 can affect plans, prices and fees which the distributor offers and/or quotes to the customer. The Commissioner, as appropriate, will direct copies of the decisions to be sent to the EA to highlight wider regulatory issues.
- 7) The *Reducing Barriers Paper* notes that the s 105 obligations will remain: “Continuance of supply policies would not override the statutory protections in place for connections that were in place on 1 April 1993.”¹⁴ However it proposes extending a s 105 type obligation to cover other connections:

The final component of the preferred direction is to establish a clear prohibition on withdrawing supply, other than in accordance with the distributor’s continuance of supply policy.

This protection is an essential complement to the obligation to offer, providing access seekers with confidence that, having obtained access, there are suitable protections in place against supply being withdrawn.¹⁵

- 8) Utilities Disputes supports the EA’s initiative to extend the obligation to maintain supply to other consumers. The Code amendment should include clauses about how communications to the consumers are to be in plain language, and in what format. A review or audit of s 105 practices among distributors may assist with the drafting of these new provisions, to ensure there is some alignment of these differing regimes, and to identify pressure points that need clarification and/or correction.

Price

- 9) Utilities Disputes supports the proposal to seek to apportion connection costs according to balance point pricing. This will ensure costs allocated “...to new connections are commensurate with shared costs met by similar existing users.”¹⁶ The Code amendment sets out the balance point principle this way:

6B.11A Connection charge balance point principle

(1) The connection charge balance point principle is the principle that connection charges should be set at a level such that the contribution to shared network costs from new connections is commensurate with the contribution from existing connections.

(2) Contributions to shared network costs from new connections are commensurate with contributions from existing connections when:

¹³ See for example EA, *Connection and Electrical Connection (Guidelines)*, 26 June 2018.

¹⁴ *Reducing Barriers Paper*, 11.29. See also 3.20-3.21.

¹⁵ Ibid., 11.26-11.27 (para nos removed).

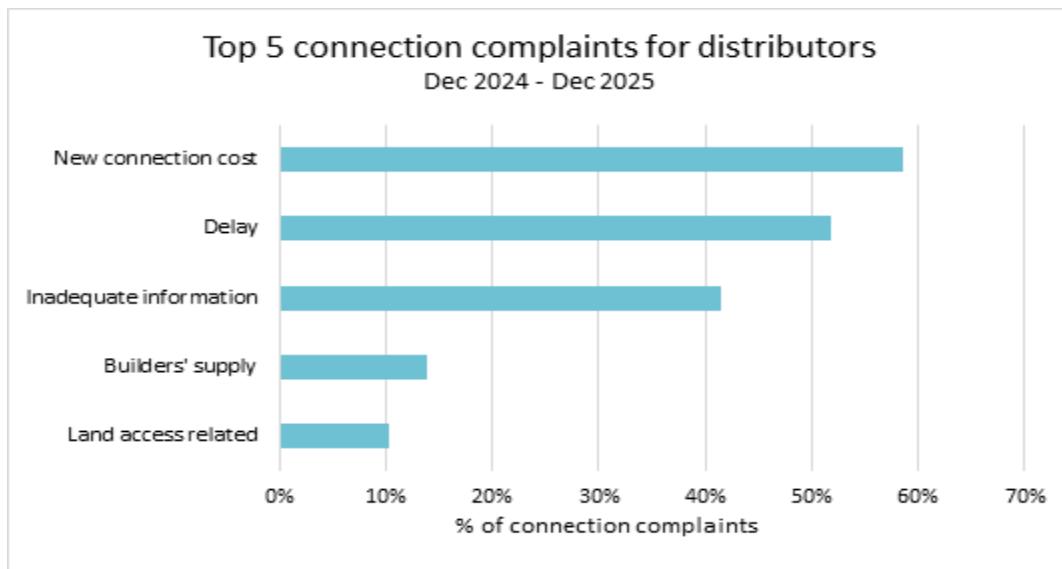
¹⁶ Ibid., 7.1.

- (a) new connections are not subsidised by existing connections; and
- (b) new connections make a similar (or lower) contribution to shared network costs as similar existing connections

(3) Contributions include connection charges and lines charges, including forecast lines charges.¹⁷

10) Monitoring price is a regulatory issue.¹⁸ Utilities Disputes therefore supports the EA's initiative and sees it as a response to the Hon Simon Watt's request that the EA ensure the market operates as level playing field and that distributors' terms for connections are harmonised.¹⁹

11) Connection complaints make up 8% of Utilities Disputes' complaints made in the last 12 months about distributors. Connection costs are the most common complaint issue. However, note this analysis includes complaints predominately by residential customers:



Contractors Fees

12) The *Reducing Barriers Paper* focuses on prices offered by the distributor. However, we think some consideration needs to be given to distributors' warranted or approved installation contractors and their setting of prices.

13) Such contractors may not fall under the ECS when acting independently of the distributor and there may be limited oversight of their prices. A possible approach to correct this is a Code amendment requiring the distributor to monitor the connection costs of these approved contractors or to make the distributor responsible for all costs on the network side of the point of supply.

¹⁷ *Reducing Barriers Paper*, Appendix B, (emphasis removed in paras).

¹⁸ Although Utilities Disputes may look at whether adequate information has been provided to the customer about price and has been applied. See Energy Scheme Rules, rule 15.

¹⁹ Hon Simon Watts, *Letter of Expectations to the Electricity Authority 2025-2026*, 1 & 2.

14) Where the distributor has a separate company who acts as an independent contractor such amendments may have greater importance, as the consumer may not be aware of a separation between the distributor and the contractor. Especially if the distributor contracting company is highlighted or preferred in any distributor communications.

Distributors Billing

15) Utilities Disputes has also made the EA aware of its concerns about the apparent uneven billing practices of distributors. We repeat those observations here:

An example of the difficulties in itemisation, is the UDL Case Study “Incorrect Fees” where the distributor struggled to provide fulsome evidence supporting charges for traffic management, the passing on of council fees, and the work done. This was a case when it was necessary to issue a proposed recommendation, however often UDL has been able to reality test with the distributor about such information gaps, acquire further itemised information and/or help the parties reach a negotiated settlement.

This issue has appeared in various types of complaints, for example itemisation has been challenging for the distributor in certain tree complaints, where the distributor has charged for the removal of the owner’s trees. In part the distributor has had to rely on the information of a contractor. However, the lack of any information in such cases is a business process issue, not a consumer issue, the consumer as with the supply of any good or service can expect fees to have a demonstratable rational basis on request.

The drive for increased clarity by the EA around pricing may be seen as ensuring distributors are held to the same consumer standards as retailers, who are used to, and required to provide a whole range of fee information, due to the Consumer Care Guidelines and industry practice.²⁰

16) At the *Exploring Network Visibility Workshop* distributors expressed concern about the costs of providing more detailed information in terms of data:

One of the challenges identified by distributors is that to create network capacity insights they bear the costs of collecting, processing and enabling access to data and information. But some of the benefits of publishing this information accrue to the access seeker or consumer. Some attendees suggested that consideration could be given to a user-pays component for information over and above minimum data requirements.²¹

17) Balancing the business costs of information disclosure is important. However, there are minimum levels of customer service, and an element of good business practice is

²⁰ UDL, *Consultation Papers: Distribution Connection Pricing & Network Connections Pricing*, 20 December 2024, 3; & *Improving Electricity Billing in New Zealand*, 12 November 2025, 13. UDL Case Study ["Incorrect Charges"](#) Note: Reality testing is a term used in dispute resolution when in an impartial way the conciliator discusses a complaint with a party with the aim to: confirm the events of the complaint, identify any aspects that are uncertain, understand the weight the party gives to any issues or facts, point out any areas on which the parties agree, and work through with the party how they would like to resolve the complaint. This may include a discussion of how similar complaints have been resolved.

²¹ Exploring Network Visibility, “Workshop Summary”, 2.

a robust methodology for providing customers, whatever their size, fit for purpose: billing, estimates, offers, and quotes.²²

18) The Code may then need amendment to set out the industry standard for distributor's billing, estimates, quotes and offers. For residential customers this may include amendments to the Consumer Care Obligations on fees (11 A.1; 65-69) and separate Code amendments for non-residential customers. In the context of connections, such amendments would be congruent with the additional objective of the EA to protect the interests of small businesses in their dealings with distributors.²³ More generally such amendments would appear to satisfy the EA's core objective: "...to promote competition in, reliable supply by, and the efficient operation of, the electricity industry for the long-term benefit of consumers."²⁴

Thank you for the opportunity to comment on the *Reducing Barriers Paper*. If you have any questions, please at the first instance contact me at: [REDACTED]

Paul Byers - Legal and Policy Officer

²² See UDL, *Improving Electricity Billing in New Zealand*, 5, <https://www.ea.govt.nz/documents/8897/UDL1.pdf>

²³ See EIA s 15.

²⁴ Ibid.