

Electricity Industry Participation Code 2010

Part 6B

Distributor pricing methodologies, information requirements and other requirements

Part 6B: inserted on 1 April 2026, by the Electricity Industry Participation Code (Connection Pricing Requirements) Amendment 2025.

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6B.1 Contents of this Part

This Part specifies—

- (a) **mandatory connection pricing methodologies** which are the pricing methodologies that must be applied by **distributors** in relation to **connection charges** and **pioneer scheme contributions**; 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) any **connection application** received by a **distributor** prior to 1 April 2026; or
 - (b) a **distributor** in respect of the **distributor's** ownership or operation of a secondary network; or
 - (c) existing **load connected**, or a **connection applicant** seeking to **connect load**, to a secondary network.
- (2) For the avoidance of doubt—
 - (a) this Part applies in addition to Part 6 and applies to all **connection applications for load** and, if there is any inconsistency between this Part and Part 6, this Part prevails;
 - (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.
- (3) If an application under Part 6 includes both **load** and **distributed generation**—
 - (a) the **connection enhancement cost allocation requirements** and the **capacity costing requirements** must be applied to the **load** component of the application before Part 6 is applied to the **distributed generation** component of the application; and
 - (b) the **pioneer scheme pricing methodology requirements** and **connection charge reconciliation methodology requirements** must be applied to the **connection** as a whole.

Connection pricing methodologies

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

- (1) Each **distributor** must apply the **mandatory 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 persons, and in otherwise recovering or allocating **connection works costs**.
- (2) The **mandatory connection pricing methodologies** are:
 - (a) the **connection enhancement cost allocation requirements** in clause 6B.4;
 - (b) the **capacity costing requirements** in clause 6B.5;
 - (c) the **pioneer scheme pricing methodology requirements** in clauses 6B.6 to 6B.9;
 - (d) the **connection charge reconciliation methodology requirements** in clauses 6B.10 and 6B.11.
- (3) Despite subclause (1), a **distributor** is—
 - (a) not required to apply the **pioneer scheme pricing methodology requirements** in respect of **real estate developments**; and
 - (b) in respect of any **connection** covered by a large connection contract as defined in the **EDB IMs**, required to apply the **connection charge reconciliation methodology requirements** only.

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- (4) A **distributor** must not refuse to connect a person to the **distributor's distribution network** for the purpose of avoiding compliance with the **mandatory connection pricing methodologies**.

Connection enhancement cost allocation requirements

6B.4 Connection enhancement cost allocation requirements

- (1) Subject to subclauses (2) to (4), each **distributor** in determining the **connection charges** 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 modifications to the **relevant minimum scheme**; and
 - (b) if modifications 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**.
- (5) 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**, unless otherwise agreed in writing with the **connection applicant**.

Capacity costing requirements

6B.5 Capacity costing requirements

- (1) If a **distributor** intends to include or includes **network capacity costs** (in whole or in part) 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 charges for **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** except to correct errors; and
 - (c) determine the **capacity demand assumption** for each **network tier** and **network costing zone** to which each **connection application** that it receives relates having reasonable regard to any relevant information provided by the **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 to calculate the **network capacity costs**.
- (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% or less than 80% of the applicable **posted capacity rate** for that **network tier** and **network costing zone**, the **distributor** may use the estimated rate instead of the **posted capacity rate** in the calculation under subclause (1)(d).
- (4) This clause does not apply to any **connection application** received by a **distributor** prior to 1 April 2027.
- (5) Subclause (1)(b) does not apply with respect to **posted capacity rates** and **nominal capacity increments** for the **disclosure year** ending 31 March 2028.

Pioneer scheme pricing methodology requirements

6B.6 Distributors must develop a pioneer scheme policy

- (1) Each **distributor** must develop a **pioneer scheme policy** by 1 April 2026.
- (2) The **pioneer scheme policy** must set out how the **distributor** will apply the requirements in clauses 6B.7 and 6B.8, including how it will—
 - (a) determine whether a **pioneer scheme** exists; and
 - (b) determine the matters in clause 6B.7(1)(b) and (3); and
 - (c) otherwise administer **pioneer schemes**.

6B.7 Requirements for a pioneer scheme

- (1) For the purposes of clause 6B.6, this clause and clause 6B.8—
 - (a) a **pioneer scheme** continues from its **start date** until the expiry date set by the **distributor**, which must be not less than 7 years from the **start date**, unless each **pioneer** to the **pioneer scheme** and the **distributor** agree in writing that the scheme shall cease at an earlier date; and

- (b) a **distributor** may determine which persons, other than the **first pioneer**, are **subsequent pioneers**.
- (2) For the purposes of this clause and clause 6B.8, 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 on its **network** that the **pioneer scheme** covers.
- (3) Each **distributor** must determine for each **pioneer scheme** additional or more detailed pricing methodologies to those set out in clause 6B.8 specifying how it will, in a way that is consistent with clause 6B.8,—
 - (a) administer and collect **pioneer scheme contributions**; and
 - (b) determine and apply **rebates**; and
 - (c) determine which persons are eligible for **rebates**.
- (4) A **distributor** must treat all **connection applicants** that **connect to pioneering connection works** or **vested pioneering works** as subject to the relevant **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**, unless each **pioneer** to a **pioneer scheme** and the **distributor** agree in writing to a change; and
 - (b) **must** continue to administer, and comply with, those requirements and that **pioneer scheme policy** in complying with this clause and clauses 6B.8 and 6B.9.

6B.8 Determining connection charges, contributions and rebates for pioneer schemes

- (1) From 1 April 2026, where there is a **pioneer scheme**, the **distributor** must, in determining **connection charges** and, where applicable, any other charges, for—
 - (a) the **first pioneer** to the scheme, comply with subclause (2); and
 - (b) for each **subsequent pioneer** to the scheme and each other **connection applicant** that **connects** to the **pioneering connection works** or **vested pioneering works** covered by the scheme, comply with subclause (3).
- (2) The **distributor** must, in determining the **connection charges** and any other charges payable by the **first pioneer** to a **pioneer scheme**—
 - (a) from the time that any other **pioneer** or other **connection applicant connects** to the **pioneering connection works** or **vested pioneering works** covered by the scheme, apply a **rebate** determined in accordance with subclause (5); and
 - (b) otherwise comply with its **pioneer scheme policy** and the matters determined under clause 6B.7; and
 - (c) determine the costs of the **pioneering connection works** or **vested pioneering works** in accordance with subclause (4)(a).
- (3) The **distributor** must, in determining the **connection charges** and any other charges payable by each **subsequent pioneer** or other **connection applicant** that **connects** to the **pioneering connection works** or **vested pioneering works** covered by a **pioneer scheme**—

- (a) comply with the **pioneer scheme contribution** requirements set out in subclause (4); and
 - (b) in the case of a **subsequent pioneer**, from the time that any other **pioneer** or other **connection applicant** connects to the **pioneering connection works** or **vested pioneering works** covered by the scheme, apply a **rebate** determined in accordance with subclause (5); and
 - (c) otherwise comply with its **pioneer scheme policy** and the matters determined under clause 6B.7.
- (4) The **pioneer scheme contribution** is to be determined as follows:
- (a) in determining the costs of the **pioneering connection works** or **vested pioneering 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 pioneering 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 pioneering works**, the **distributor** must be reasonably satisfied that the information is accurate;
 - (iv) the **distributor** must exclude the costs of any **connection enhancement** or equivalent costs in respect of **vested pioneering works**;
 - (v) the **distributor** must include the costs incurred by a **pioneer** under any other **pioneer scheme** covering any part of the **distributor's network** that the **pioneering connection works** or **vested pioneering works** directly connect to;
 - (b) the **distributor** must apply straight-line depreciation to the costs of the **pioneering connection works** or the **vested pioneering works** that the **pioneer scheme** relates to determine the present-day value of those costs each time it calculates **pioneer scheme contributions**, using a depreciation period of 20 years;
 - (c) the **distributor** must take into account distance (along an **extension**) and capacity of each **pioneer** or **connection applicant** that **connects to pioneering connection works**;
 - (d) **pioneer scheme contributions** must not be collected if the **pioneer scheme contribution** would be less than the amount of \$1,000 in December 2025 terms adjusted each year by the **CPI movement** after deducting any fee to cover the reasonable costs of administering the scheme, or of a lesser amount specified by the **distributor**.
- (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** covered by the **pioneer scheme** proportionate to the extent to which each **pioneer** has met the costs of the **pioneering connection works** or the **vested pioneering works** and after deducting any fee to cover the reasonable costs of administering the scheme.

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- (5A) If a rebate is unable to be paid to a **pioneer** because the **pioneer** cannot be located after a reasonable attempt has been made by the **distributor** do so—
- (a) the **distributor** must take reasonable steps to repay the corresponding amount of **pioneer scheme contributions** already collected to those that paid it, in proportion to their contribution; and
 - (b) the **distributor** may retain any amount that cannot be repaid in accordance with paragraph (a); and
 - (c) **pioneer scheme contributions** that would have been paid to the missing **pioneer** under the **pioneer scheme** must no longer be collected.
- (6) A **distributor** must determine whether and in what circumstances the status of **first pioneer** or **subsequent pioneer** may transfer to a different person or persons (for example, where the status is to be apportioned between multiple people).
- (7) This clause does not apply to a **pioneer scheme** entered into before 1 April 2026.

Clause 6B.8(4)(a)(iii): amended on 1 April 2026, by clause 5(1) of the Electricity Industry Participation Code (Connection Pricing Related Amendments) Amendment 2026.

Clause 6B.8(4)(a)(iv) and (v): inserted on 1 April 2026, by clause 5(2) of the Electricity Industry Participation Code (Connection Pricing Related Amendments) Amendment 2026.

Clause 6B.8(5A): inserted on 1 April 2026, by clause 5(3) of the Electricity Industry Participation Code (Connection Pricing Related Amendments) Amendment 2026.

6B.9 Distributors must publish information on pioneer schemes

- (1) Each **distributor** must—
- (a) **publish** its **pioneer scheme policy**, which must include how it will;—
 - (i) determine **pioneer scheme contributions**; and
 - (ii) administer and collect **pioneer scheme contributions**; and
 - (iii) determine and apply **rebates**; and
 - (iv) determine which persons are eligible for **rebates**; and
 - (v) distribute **funded asset rebates** it receives in accordance with clause 29 of the **transmission pricing methodology** relating to **incremental transmission works** to **pioneers**; and
 - (vi) determine whether and in what circumstances the status of **first pioneer** or **subsequent pioneer** may transfer to a different person or persons; and
 - (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 6B.7, including the following information:
 - (i) the part of its **network** that the **pioneer scheme** covers;
 - (ii) the **start date** of the **pioneer scheme**;
 - (iii) the expiry date of the **pioneer scheme**;
 - (iv) the relevant opening value(s) of the **pioneering connection works**, **vested pioneering works**, or parts of these works covered by the **pioneer scheme**.
- (2) Subclause (1)(c) does not apply to a **pioneer scheme** entered into before 1 April 2026.

Connection charge reconciliation methodology requirements

6B.10 Distributor must provide connection charge reconciliation on request

- (1) If requested by a **connection applicant** during the **connection process**, 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 **connection charges**, 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**; and
 - (b) if requested, provide sufficient information under paragraph (a) to enable the **Authority** to understand how the **distributor** determined those amounts; and
 - (c) provide the information requested under this subclause in the form, manner, and at the time and/or frequency specified by the **Authority**.

Clause 6B.10(3)(a): amended on 1 April 2026, by clause 6(1) of the Electricity Industry Participation Code (Connection Pricing Related Amendments) Amendment 2026.

Clause 6B.10(3)(b): amended on 1 April 2026, by clause 6(2) of the Electricity Industry Participation Code (Connection Pricing Related Amendments) Amendment 2026.

Clause 6B.10(3)(c): inserted on 1 April 2026, by clause 6(3) of the Electricity Industry Participation Code (Connection Pricing Related Amendments) Amendment 2026.

6B.11 Connection charge reconciliation requirements

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

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

where

CC is the **connection charge** or **connection charges**

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), and show this assessment in the **connection charge reconciliation**, in accordance with the

following formula:

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

where

IC is the **incremental cost estimate**

EC is the **extension cost** of the **relevant minimum scheme**, excluding any **incremental transmission cost**

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

NCC is the **network capacity cost** of the **relevant minimum scheme** calculated in accordance with clause 6B.5, including in respect of a **connection application** received by a **distributor** prior to 1 April 2027 as though that clause applied to the **connection application**

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

LHCR is the **localised historical cost recovery**, if any

OCL is the **operating cost loading**, if any.

- (3) A **distributor** must assess the **incremental revenue estimate** under subclause (1), and show this assessment in the **connection charge reconciliation**, in accordance with the following formula:

$$IR = IDR + ITR$$

where

IDR is the **incremental distribution revenue estimate**

ITR is the **incremental transmission revenue estimate**.

- (4) A **distributor** must assess the **incremental distribution revenue** and **incremental transmission revenue** estimates, and show this assessment in the **connection charge reconciliation**, by—
- (a) estimating revenue from **electricity lines services** (excluding **connection charges** and **connection administration fees**) the **distributor** will receive in respect of the

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- connection** in the first **disclosure year** (or part **disclosure year**) following the **electrical connection** of the **connection** or the completion of the **connection works**, whichever is later; and
- (b) estimating revenue for subsequent **disclosure years** by adjusting the estimate derived under paragraph (a) for—
- (i) change from part-year to full-year, if applicable; and
 - (ii) forecast changes in demand at the **connection** (if any); and
 - (iii) forecast changes in revenue per **connection**, in real terms, for any years for which the **distributor** has a reasonable revenue path forecast; and
 - (iv) forecast changes in tariff structures or levels for any years for which the **distributor** has a reasonable price path forecast; and
- (c) discounting the estimates under paragraph (b) to their 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 **EDB ID determination** 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 at the time of that mid-point estimate of vanilla WACC; and
- (d) for **incremental distribution revenue** only, and only where **the incremental cost estimate** includes an **operating cost loading** which is zero, multiplying the amount derived after the application of paragraph (c) by the **distributor's incremental opex scaling factor** calculated in accordance with subclause (5).
- (5) A **distributor** must calculate its **incremental opex scaling factor**, and show this calculation in the **connection charge reconciliation**, in accordance with the following formula:

$$OSF = 1 - \frac{ASO}{AEDR}$$

where

OSF is the **incremental opex scaling factor**

ASO is the average selected opex, being the average value over the five most recent available **disclosure years** of the sum of a **distributor's**—

- (a) operational expenditure relating to service interruptions and emergencies as defined in the **EDB ID determination**; and
- (b) operational expenditure relating to vegetation management as defined in the **EDB ID determination**; and

- (c) operational expenditure relating to routine and corrective maintenance and inspection as defined in the **EDB ID determination**; and
- (d) any costs, other than an amount or charge payable to **Transpower**, described in clause 3.1.2(1)(a) of the **EDB IMs**

AEDR is the average electricity distribution revenue, being the average value over the five most recent available **disclosure years** of a **distributor's** distribution line charge revenue (excluding revenue relating to pass through of electricity transmission costs)

and where all values must exclude goods and services tax and be expressed in real terms (with a common base year).

- (6) A **distributor** may further adjust the calculation of the amounts of the *CC*, *IC* and *IR* in subclauses (1) and (2), as applicable, to recognise differences in the timing of cashflows using a discount rate for each year consistent with the rate determined in subclause (4)(c)(ii).
- (7) A **distributor** must treat in-kind contributions consistently as between *CC* and *IC* (either both zero or both the same estimated value).

Clause 6B.11(4)(c)(ii): amended on 1 April 2026, by clause 7(1) of the Electricity Industry Participation Code (Connection Pricing Related Amendments) Amendment 2026.

Clause 6B.11(4)(d): amended on 1 April 2026, by clause 7(2) of the Electricity Industry Participation Code (Connection Pricing Related Amendments) Amendment 2026.

Clause 6B.11(5): amended on 1 April 2026, by clause 7(3) of the Electricity Industry Participation Code (Connection Pricing Related Amendments) Amendment 2026.

Disputes about the application of this Part

6B.12 Disputes between distributors and connection applicants that are participants

- (1) If there is a dispute between a **connection applicant** that is a **participant** and a **distributor** about the application of any of the **mandatory connection pricing methodologies**, either **participant** may commence the default dispute resolution process in Schedule 6.3 at any time.
- (2) Subclause (1) does not apply to disputes about the following clauses:
 - (a) Clause 6B.5(1)(a) to (b) (requirements relating to **network capacity costs**):
 - (b) Clause 6B.6 (requirement to develop a **pioneer scheme policy**):
 - (c) Clause 6B.7 (requirements for a **pioneer scheme**):
 - (d) Clause 6B.9 (requirement to **publish** information on **pioneer schemes**):
 - (e) Clause 6B.10(3) (requirement to provide information to the **Authority** on **connection charge reconciliation** amounts).

6B.13 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, other than a dispute about any of the clauses listed in clause 6B.12(2), 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.