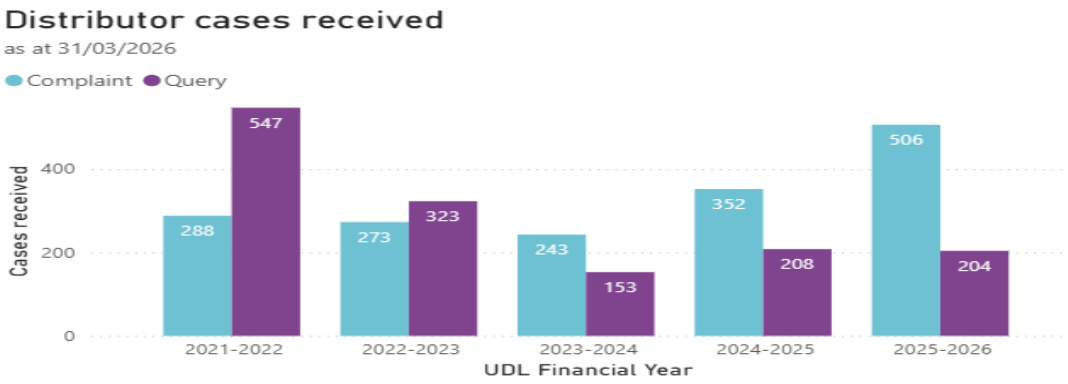
24 August 2026

distribution.pricing@ea.govt.nz

Utilities Disputes

1. Utilities Disputes| Tautohetohe Whaipainga has been following the EA's progress in reviewing distribution pricing and making submissions as appropriate.[1] In our role of operating the mandated Energy Complaints Scheme (ECS),[2] we have a unique and broad view of the electricity market from a consumer perspective, as we hear, investigate and resolve consumer complaints about distributors and retailers. We are a non-profit company and there is no charge for a consumer to make a complaint.[3]

2. Consumers made 12,505 complaints to the ECS in the last reporting year and contacted us with 12,413 queries. Of those complaints 506 were distributor complaints and 204 were queries about distributors. Most of our complaints are from domestic consumers. Those from developers are often resolved early, it seems due to the time pressures of the project:



[1] See for example Utilities Disputes, *Reform Network Pricing*, 19 May 2026, Link; *Reducing Barriers for New Connections: Up-Front Charges and Distributor Obligations*, 19 December 2025, Link; and *Distribution Connection Pricing*, 20 December 2024, Link.

[2] Aside from the ECS (electricity and gas) we also deliver dispute resolution schemes covering, water, and telecommunications. In telecommunications we offer the government mandated scheme for considering complaints about the laying of fibre on shared property and a voluntary telecommunications scheme which is not an industry dispute resolution scheme under part 7 of the Telecommunications Act 2001. We also offer a voluntary water complaints scheme.

Further Reform Paper

3. Against this background Utilities Disputes welcomes the opportunity to comment on the EA's paper *Further Reform Distribution Connection Pricing*, (*Further Reform Paper*).

4. The *Further Reform Paper* is an issues paper focused on establishing an enduring framework for distribution connection pricing. It sets out options for two core areas of reform and also addresses a number of related issues:

    - **Costing Methodologies** – consideration of how incremental costs are estimated. Incremental costs are the costs to serve an additional connection and are either recovered as a connection cost or through lines charges.

    - **Allocation Methodologies** – consideration of how and when incremental costs should be recovered through connection charges.[4]

Utilities Disputes' Response

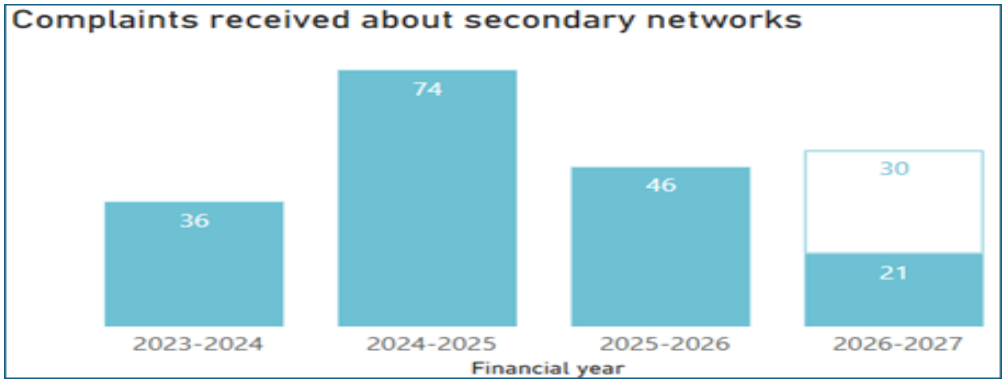
5. Drawing on our consumer complaints work, we have identified distributor-related issues we believe warrant further regulatory review and oversight. We have set these out below in response to the EA's general invitation to identify matters that should inform any further reforms.[5] Many of these issues arise from matters discussed in the *Further Reform Paper* and have been raised with the EA through submissions and other channels including anonymised decisions from our Commissioner that have been sent to the EA.

Issue 1 - Secondary Networks

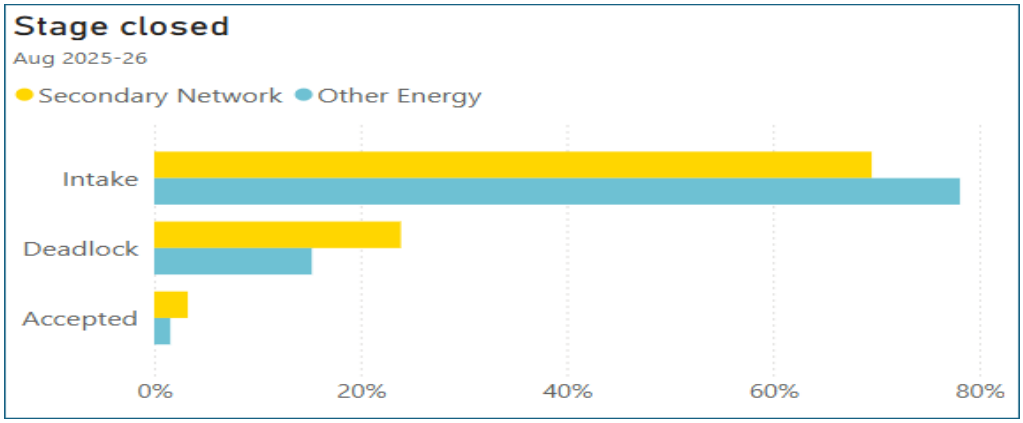
6. The *Further Reform Paper* explores if connection pricing reforms should be extended to a subset of secondary networks, such as pocket networks and major infrastructure sites.[6] Utilities Disputes has for some years highlighted the issue of secondary networks and lack of consumer protection in what is a largely ignored and under-researched

[4] See *Further Reform Paper*, pgs 3-4; see introductory discussion paras 3.3-3.9 & 3.28-3.30.
[5] Ibid., pg 4.
[6] See definitions in the paper of secondary networks:
"Pocket networks – sizeable networks that operate much like any other distribution network. For example, Lakeland Network's Frankton network, has more than 5,000 ICPs with capacities up to 276 kVA and covers a large part of Queenstown's developable land.
Major infrastructure sites – networks within airports (or other facilities) that have multiple buildings, activities and tenants and have regional or national economic significance.
Private networks – reticulation within a building or site for which open access arrangements are not a pertinent issue. For example, many secondary networks only serve the tenancies in a single multi-level office building."
Further Reform Paper, para 5.5.

area.[7] While the volumes are low, we do receive complaints about secondary networks, particularly when the provider is also retailing:



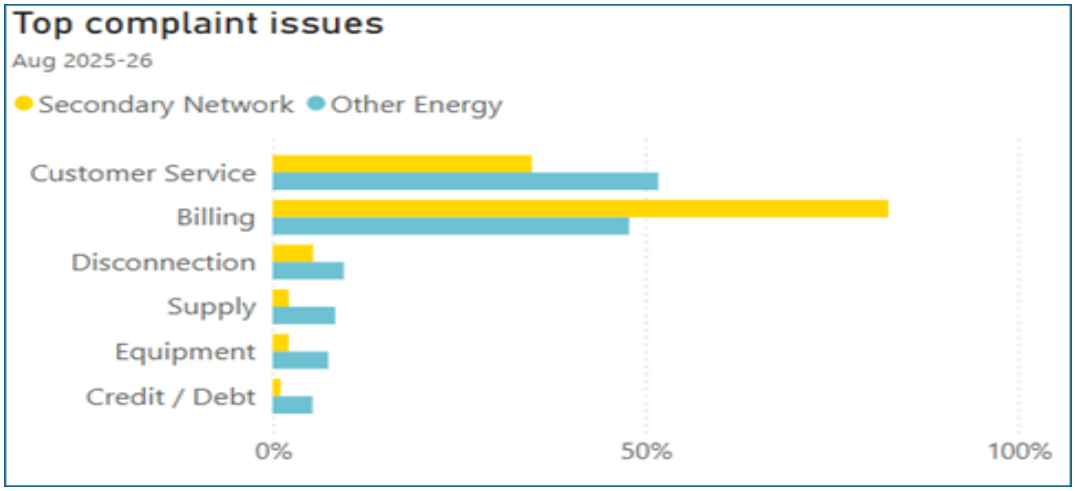
7. Secondary network complaints also tend to take longer to resolve,[8] as the internal complaint processes of many secondary network owners appear uneven.



8. In our experience secondary network customers often appear to have difficulty obtaining clear information about basic and fundamental information such as rates and charges. This is reflected in complaint data, where customer service and billing are among the most common issues raised about secondary networks:

[7] See for example: Utilities Disputes, *Reform Network Pricing*, 19 May 2026, pg 5, Link; *Improving Electricity Billing in New Zealand,* 12 November 2025, fn 24 Link; *Working Together Paper*, 25 June 2025, pgs 1, 6-7, Link; *Improving Price Plan Options,* 26 March 2025, 6-7, Link; *Proposed Information Exchange Protocol*, 28 January 2025, pg 2, Link; & *Distribution Pricing*, 20 December 2024, Link.

[8] Utilities Disputes' process has three stages: Intake/First Contact, where Utilities Disputes receives a complaint, prepares a complaint summary, and allows the provider to respond to the complaint; Early Resolution, where Utilities Disputes helps the provider and complainant resolve the complaint if it reaches "deadlock". Deadlock means the parties have been unable to resolve the complaint within twenty working days; and Conciliation & Investigation, where the complaint is formerly accepted and Utilities Disputes investigates the complaint. If the parties cannot resolve the complaint during the investigation the Commissioner will recommend a resolution.



9. Against this background we support the EA explicitly considering doing more to regulate secondary networks, although we note its current focus is on larger secondary networks and connection pricing. We are concerned that secondary network practices are not well understood, particularly regarding the costs passed through to customers. Customers also appear to have a limited understanding on what they can expect of secondary network retailers in terms of billing information. We therefore encourage the EA to undertake a broad survey covering all aspects and types of customer networks and their customers, rather than limiting the proposed survey to connection issues alone.[9] This would provide a stronger evidence base for future policy decisions and enable the EA to give clearer guidance on best practice across areas such as customer care, and on the obligations that should apply to secondary network distributors and retailers.

Issue 2 - Maintaining Supply

10. The *Further Reform Paper* continues the discussion about mandating an additional process for the withdrawal of supply from customers. We have made the EA aware that we see indications that the way retailers and distributors are applying the statutory process for the cessation of line function services under ss 105-106 of the Electricity Industry Act 2010 (Act) may not reflect best practice.[10]

11. The EA may be of the view these issues are settled.[11] Yet it is not clear to Utilities Disputes that the obligations between retailer and distributors are always well understood and there is an understanding of who has the responsibility for ensuring written consent has been obtained from the landowner to cease line function services.

[9] See *Further Reform Paper*, para 5.17.
[10] See for example Utilities Disputes, *Reform Network Pricing*, 19 May 2026, pg 3, Link; *Reducing Barriers for New Connections: Up-Front Charges and Distributor Obligations*, 19 December 2025, pgs 4-5, Link.
[11] See for example EA, *Connection and Electrical Connection (Guidelines),* 26 June 2018; *Default Distribution Agreement*, sched 12A.4, Appendix A, s 6.23; and *Further Reform Paper*, para 4.50.

Costs to the customer for a delayed or inappropriate ceasing of line function services are also not insignificant.

12. Therefore, we encourage the EA to review how retailers and distributors are complying with ss 105 -106 of the Act. Such research can then feed into the design of any additional continuance of supply policies and procedures.

Issue 3 – Billing, Quote, and Estimate Itemisation

13. The *Further Reform Paper* highlights that some customers are concerned about quotation transparency:

> *some distributors' quotes reportedly provide limited or poor costing information (including itemisation). This can undermine confidence in the reasonableness of cost estimates and limits the ability for access seekers to find ways to reduce cost components.*[12]

14. While other customers have reported excessive costs for items such as traffic management:

> *some access seekers report they can procure or deliver inputs at much lower costs than quoted by their distributor – for example, for civil works or traffic management*.[13]

15. Utilities Disputes has repeatedly raised similar concerns with the EA arising from consumer complaints. Although these complaints are not about connections, they suggest that distributors' fees for services such as traffic management, tree removal, and line relocations may not always be sufficiently itemised or explained. [14] Practices also appear to vary in how quoted amounts are reconciled with the actual cost of the work once completed. We have asked the EA to include requirements for distributor bills, quotes, and estimates in the Consumer Care Obligations (CCOs).[15]

16. We therefore support any EA work that increases transparency in billing, estimates, quotations, and project scoping. In our experience as the provider of the ECS, adequate information, together with prompt and thorough responses to consumer queries, increases consumer trust, and reduces the likelihood of complaints and associated

[12] *Further Reform Paper*, para 3.8(f), see also (b).
[13] Ibid., para 3.8(c).
[14] See for example *Case Study: Incorrect Charges*, Link.
[15] See Utilities Disputes, *Reducing Barriers for New Connections*, 19 December 2025, pgs 7-8, Link. See also *Improving Electricity Billing in New Zealand*, 12 November 2025, pg 13, Link & *Distribution Pricing*, 20 December 2024, pgs 2-3, Link.

costs. We therefore support the EA's proposal to suggest standards and guidelines for the information that must be provided in connection quotes.

Issue 4 – Contractors

17. We also think customers should be clearly informed when they may engage their own contractor for parts of a project, and when a contractor has a relationship with the distributor. Contractors acting independently of a distributor may fall outside the ECS, leaving limited oversight of their billing, quotes, and estimates. One possible response would be to amend the Industry Participation Code 2010 (Code) to require distributors to monitor the connection costs of approved contractors, or to make distributors responsible for all costs on the network side of the point of supply.[16]

Issue 5 – Distributed Energy Resources/ Regulation and Stewardship

18. The EA in its documents over the past year, has frequently highlighted the changing face of the industry where generation and export of electricity into the network based on solar, wind, and batteries is becoming commonplace. The *Further Reform Paper* continues to highlight these changes.[17] The EA set out its proposed vision of a decentralised network in its green paper, *Working Together to Ensure our Electricity System meets the Future Needs of all New Zealanders*:

> *In the electricity sector, decentralisation means shifting from large scale electricity generation at a small number of sites across the country, to smaller scale renewables and other DERs located closer to consumers.*
>
> *These DERs empower consumers and local communities, allowing them to actively participate and potentially shape local energy systems to fit their unique context, needs and aspirations.*
>
> *Within these decentralised or local energy systems, supply and demand can be balanced as much as practicable, enabling a wide range of benefits for local consumers (or 'energy communities') and beyond. These local energy systems would be connected across the country by the grid's strong central spine*.[18]

19. Utilities Disputes supports the development and integration into the market of the new generators, distributers, and retailers based on distributed energy resources (DERs).

[16] See Utilities Disputes, *Reducing Barriers for New Connections*, 19 December 2025, pgs 6-7, Link.
[17] See *Further Reform Paper*, para 2.17-2.18.
[18] EA, *Working Together to Ensure our Electricity System meets the Future Needs of all New Zealanders*, 30 April 2025, paras 2.1-2.3.

However, we have repeatedly raised concerns with the EA about the lack of consumer protections and proactive regulation for customers of these industry participants.[19]

20. We take this opportunity to emphasise again that consumers will find it difficult to understand if one aspect of their integrated distribution system falls under traditional regulation, consumer protections, while another aspect does not. As we have previously flagged, there are lessons that can be learnt from the regulation of this area in Australia.[20] It is worrying the EA appears to be promoting the merits of integrated distribution without considering the potential risks for consumers and small businesses. This despite the EA's extended remit in 2022 to protect the interests of domestic consumers and small business consumers.[21]

21. The *Further Reform Paper* includes a chapter on regulatory design and stewardship that sets out the proposed arrangements for connection pricing. We recommend the EA undertake a broader review of the CCOs and the Code to identify what amendments are needed to integrate new generators, distributors, and retailers into the industry. For example, one of the primary building blocks of the Code is the definition of electricity in kilowatt-hours. However, this definition appears insufficient to encompass emerging business models for the sale of distributed energy to consumers.[22] Similarly, the definitions of pricing plan and product offering in the CCOs focus on supply, but do not emphasise that many DER plans will also include an export rate for customers.[23]

22. This brief analysis highlights the importance of considering the EA's main objective—to promote competition in, reliable supply by, and the efficient operation of the electricity industry for the long-term benefit of consumers—alongside its secondary objective of protecting the interests of domestic consumers and small businesses.[24] Steps taken to advance one objective affect the other. In the case of DERs and their integration with traditional distribution, it is not clear that consumer protections have been adequately

[19] See Utilities Disputes, *Reforming Network Pricing*, 19 May 2026, pg 4-5, Link; *Energy Competition Task Force Work Programme*, 9 February 2026, pgs 2-4, Link; *A Regulatory Roadmap for Battery Energy Storage Systems Paper*, 31 July 2026, *Link*; *Improving Electricity Billing in New Zealand*, 12 November 2025, paras 24, 30-32 Link; *Evolving Multiple Retailing and Switching*, 29 July 2025, Link; *Working Together to Ensure our Electricity System meets the Future Needs of all New Zealanders*, 25 June 2025, Link; & *Improving Pricing Plan Options for Consumer Time-Varying Retail Pricing for Electricity Consumption and Supply*, 26 March 2025, pgs 5-6, Link.
[20] New entities or a version of them that are operating at scale in Australia and are likely to become part of the energy landscape in New Zealand.
[21] See s 15(2)&(3) of the Act.
[22] See Code part 1, 1.1.
[23] CCO 11A.2 "pricing plan means the rate or rates charged for electricity supplied to the customer under their contract or offered as part of a product offering, and includes rates charged per kWh (such as night, daily, anytime rates), any fixed rates or fixed or variable charges (such as a daily fixed charge), as well as any costs related to the supply of electricity which are passed through to the customer"; "product offering means an offer for the supply of electricity at an ICP offered by a retailer." (emphasis not included)
[24] See s 15 of the Act.

considered alongside the promotion of DERs, or that gaps in regulation are being identified and resolved.

Conclusion

23. Utilities Disputes supports the EA's work to develop a durable and transparent framework for distribution connection pricing. A central theme of this submission, however, is that pricing reform should be progressed alongside broader consideration of consumer protection, regulatory oversight, and accountability across the distribution sector. In particular, the issues identified through our complaints work appear to point to the need for:

    a. clearer information from distributors about billing, quotes, estimates, and project scoping;

    b. a more robust evidence base to support policy making about secondary networks;

    c. an evaluation of distributor and retailer practices under the existing statutory process for cessation of line function services (see 105–106 of the Act), to inform any additional continuance of supply processes;

    d. consideration of whether distributor-contractor arrangements are subject to appropriate regulatory oversight; and

    e. a proactive and informed review of the Code to ensure it keeps pace with the growth and introduction of new generators, distributors, and retailers based on DERs.

24. Thank you for the opportunity to raise these matters. If you have any questions, please in the first instance contact me at: paulb@udl.co.nz

Paul Byers
Legal and Policy Officer | Pou Ture Me Nga Kaupapahere