

[Draft] Electricity Distribution Services Default Price-Quality Path (Quality Incentive Adjustment Correction) Amendment Determination 2026

[2026] NZCC [XX]

Date of decision:

[day] [month] 2026

[signature]

[name], Commissioner

Dated at Wellington this [day] of [month] 2026

COMMERCE COMMISSION

Wellington, New Zealand

Determination history		
Determination date	Decision number	Determination name
20 November 2024	[2024] NZCC 28	Electricity Distribution Services Default Price-Quality Path Determination 2025
[date]	[2026] NZCC [XX]	[Draft] Electricity Distribution Services Default Price-Quality Path (Quality Incentive Adjustment Correction) Amendment Determination 2026

Under s 46 of the Legislation Act 2019 and s 52P of the Commerce Act 1986, the Commerce Commission makes the following determination:

1. TITLE

- 1.1 This determination is the Electricity Distribution Services Default Price-Quality Path (Quality Incentive Adjustment Correction) Amendment Determination 2026.

2. DETERMINATION AMENDED

- 2.1 This determination amends the Electricity Distribution Services Default Price-Quality Path Determination 2025 [2024] NZCC 28 (**principal determination**).

3. COMMENCEMENT AND APPLICATION

- 3.1 This determination comes into force on [date].

4. PRINCIPAL DETERMINATION AMENDMENT

- 4.1 In clause 4(2) of the principal determination, insert in the appropriate alphabetical order:

“mid-point estimate of post-tax WACC means 6.02%”

- 4.2 Replace paragraph (5) of Schedule 4 of the principal determination with:

(5) The **quality incentive adjustment** for a **non-exempt EDB** is calculated as follows—

(a) calculate the sum of:

(i) $(SAIDI_{unplanned,target} - SAIDI_{unplanned,assessed}) * IR$; and

(ii) $(SAIDI_{planned,target} - SAIDI_{planned,assessed}) * 0.5 * IR$;

(b) if the sum calculated under subparagraph (a) is positive, the **quality incentive adjustment** is the lesser of:

(i) the sum calculated under subparagraph (a); and

(ii) **revenue at risk**; and

(c) if the sum calculated under subparagraph (a) is negative, the **quality incentive adjustment** is the greater of:

(i) the sum calculated under subparagraph (a); and

(ii) **(revenue at risk * -1)**; and

- (d) adjust the figure from subparagraph (b) or (c) for the time value of money by multiplying the sum in accordance with the following formula:

$$(1 + \text{mid-point estimate of post-tax WACC})^2$$

Explanatory note

This note is not part of the determination but is intended to indicate its general effect.

This determination amends the Electricity Distribution Services Default Price-Quality Path Determination 2025 [2024] NZCC 28. The amendment corrects an error in that determination by reinstating a time-value-of-money adjustment for the quality incentive adjustment.

The amendment is secondary legislation made under s 46 of the Legislation Act 2019 and s 52P of the Commerce Act 1986.

This is secondary legislation issued under the authority of the Legislation Act 2019 .	
Title	Electricity Distribution Services Default Price-Quality Path (Quality Incentive Adjustment Correction) Amendment Determination 2026
Principal or amendment	Amendment
Consolidated version	No
Empowering Act and provisions	Commerce Act 1986, s 52P Legislation Act 2019, s 46
Replacement empowering Act and provisions	Not applicable
Maker name	Commerce Commission
Administering agency	Commerce Commission
Date made	[date]
Publication date	[date]
Notification date	[date]
Commencement date	[date]
End date (when applicable)	Not applicable
Consolidation as at date	Not applicable

Related instruments	Electricity Distribution Services Default Price-Quality Path Determination 2025 [2024] NZCC 28
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