

# **Electricity Distribution Services Default Price-Quality Path (Quality Incentive Adjustment Correction) Amendment Determination 2026**

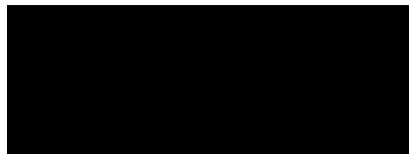
**[2026] NZCC 5**

**The Commission:**

Nathan Strong  
Dr John Small  
Bryan Chapple  
Dr Derek Johnston

**Date of decision:**

26 March 2026



Dated at Wellington this 26 of March 2026  
COMMERCE COMMISSION  
Wellington, New Zealand

<b>Determination history</b>		
<b>Determination date</b>	<b>Decision number</b>	<b>Determination name</b>
20 November 2024	[2024] NZCC 28	Electricity Distribution Services Default Price-Quality Path Determination 2025
5 March 2026	[2026] NZCC 4	Electricity Distribution Services Default Price-Quality Path (Network Tasman Merger) Amendment Determination 2026
26 March 2026	[2026] NZCC 5	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 26 March 2026.

**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 <a href="#">Legislation Act 2019</a> .	
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	19 March 2026
Publication date	26 March 2026
Notification date	26 March 2026
Commencement date	26 March 2026
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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