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Tēnā koutou

## SUBMISSION ON DPP 4 QUALITY INCENTIVE ADJUSTMENT

Unison Networks Limited (Unison) and Centralines Limited (Centralines) are consumer-owned electricity distribution businesses serving communities in Hawke's Bay, Taupō, Rotorua, and Central Hawke's Bay. We appreciate the opportunity to respond to the Commerce Commission's draft decision regarding the *reinstatement of time value of money adjustment to the Quality Incentive Scheme*.

As consumer-owned entities, we operate in the best interests of the communities we serve. Guided by our vision, and values, we strive to deliver economic benefits to both our customers and community shareholders, while championing a sustainable energy future. We are committed to maintaining the right balance between keeping electricity affordable and making strategic investments that secure the long-term reliability and resilience of our network. In all aspects of our operations, we place strong emphasis on meeting industry compliance requirements, ensuring we uphold all relevant standards. This approach not only supports New Zealand's transition to new energy solutions but also enables our communities to access cleaner, smarter, and more flexible energy options, now and for generations to come.

### Executive Summary

Unison and Centralines support the Commission's draft decision to reinstate the time value of money (TVOM) adjustment to the Quality Incentive Adjustment (QIA) under the DPP4 determination. The draft decision represents a necessary and proportionate correction to a technical error in the final DPP4 determination. Reinstating the TVOM adjustment restores the intended incentive strength of the Quality Incentive Scheme (QIS) and upholds the policy intent that quality rewards and penalties maintain their real economic value over time.

## Role of the QIS and Importance of Incentive Strength

The Quality Incentive Scheme is an essential component of the Default Price-Quality Path framework. Through the QIA, it provides financial rewards or penalties based on an EDB's performance against regulated quality standards. For the QIS to operate effectively, the incentives must be both material and credible. Preserving the time value of quality-related incentives ensures that network reliability and service performance remain significant considerations in operational decision-making, maintenance planning, and long-term investment prioritisation.

Without the reinstatement of the TVOM adjustment, the effectiveness of the scheme would be reduced, weakening the intended incentive signals and creating outcomes inconsistent with the Commission's established regulatory approach.

## Conclusion

Unison and Centralines appreciate the Commission's timely attention to this matter and the opportunity to provide feedback on the draft decision. We remain committed to constructive engagement throughout the DPP4 process and to supporting regulatory settings that promote efficient investment, maintain service quality, and deliver long-term benefits to consumers and the communities we serve.

No part of this submission is confidential, and we acknowledge it will be published. Please contact us should you require any further information, including details on operational considerations.

Nā māua noa, nā

Jason Larkin / Tarryn Butcher  
GM Commercial and Regulatory / Regulatory Manager

