



Submission on Commission Open Letter

7 October 2025

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1 Submission and contact details

Consultation	Open Letter: Ensuring our approach to price paths is delivering for consumers
Submitted to	Commerce Commission
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2 Confidential information

There is no confidential information provided in this submission. This submission can be publicly disclosed.

3 Submission

Wellington Electricity (WE*) appreciates the opportunity to comment on the Commerce Commission's open letter on whether the current default price-quality path (DPP) approach is delivering for consumers and on areas of focus for DPP5. We support the Commission's objective to promote the long-term benefit of consumers through reliable, efficient services and prudent investment at least cost over time. We also welcome the invitation to provide early feedback on mechanisms and information settings for DPP5 and the process to get there.

3.1 Within-period adjustment mechanisms

Given rising demand uncertainty and input-cost volatility, consumers are best served by clear, rules-based reopeners and wash-ups that enable timely, well-justified investment while maintaining accountability. The open letter explicitly contemplates adjustment mechanisms to address uncertainty; we support prioritising this workstream for DPP5.

We also note that there are no reopeners to allow additional opex. As the expectation is that distributors will investigate additional opex solutions, it would be appropriate to allow opex reopeners.

3.2 Evidence-based treatment of “non-traditional” solutions

WE supports flexibility services when they are demonstrably economic and reliable. However, incentives must be technology-neutral and avoid mandating uptake where benefits are uncertain or where enablement costs fall disproportionately on consumers. The DPP should encourage efficient use of existing capacity without biasing procurement toward unproven options. If EDBs are required to make flex payments, these should be treated as pass-through costs. If flexibility options are required to be considered as part of the investment tool kit, then opex reopeners will be required.,

3.3 Quality focused on outcomes that matter

Reliability targets and incentives should reflect regional characteristics and evolving resilience expectations, with practical major event treatment and clear, predictable compliance rules. Targets should also recognise that where major works are required for network renewals, there will be an increase in planned outages.

3.4 Proportionate information requirements

Any new datasets should be standardised and reusable (e.g., aligned with AMPs and IDs) to reduce compliance cost while improving forecast accuracy and comparability for DPP5. Requiring publication of datasets simply for information sake should be avoided. Additional reporting simply adds costs to EDBs and consumers and therefore should be carefully considered with a clear benefit for the additional information accounted for in the determination of MAR.

3.5 Consider IPPs for larger distributors

The Commission should consider individual price paths (IPPs) for certain EDBs, or an equivalent alternative mechanism, could better align regulatory settings with the specific challenges and opportunities each EDB faces.