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[Draft] Orion New Zealand Limited Electricity Distribution Services Customised Price-Quality Path Determination 2027

[2027] NZCC [XX]

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Date of determination: [xx] 2027

[Signature]
[Name and role]
Dated at Wellington this [XX] day of [month] 2027
Commerce Commission
Wellington, New Zealand

Determination history		
Date of decision	**Decision No.**	**Determination name**
20 November 2024	[2024] NZCC 28	Electricity Distribution Services Default Price-Quality Path Determination 2025 [2024] NZCC 28
25 November 2025	[2025] NZCC 28	Electricity Distribution Services Default Price-Quality Path (Aurora transition) Amendment 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
2 April 2026	[2026] NZCC 7	Electricity Distribution Services Default Price-Quality Path (Wellington Electricity Lines Limited Unforeseeable Large Project) Amendment Determination 2026
[XX] 2027	[2027] NZCC [XX]	[Draft] Orion New Zealand Limited Electricity Distribution Customised Price-Quality Path Determination 2027

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Under section 52P of the Commerce Act 1986, the Commerce Commission makes the following determination:

1. Title

1.1 This determination is the Orion New Zealand Limited Electricity Distribution Customised Price-Quality Path Determination 2027.

2. Commencement

2.1 This determination comes into force on [date to add].

3. Application

3.1 Under section 52P of the **Act**, this determination amends the *Electricity Distribution Services Default Price-Quality Path Determination 2025* [2024] NZCC 28, as it applies to **Orion** and sets a customised price-quality path for **Orion**.

3.2 This determination applies to **Orion** and replaces all provisions of the *Electricity Distribution Services Default Price-Quality Path Determination 2025* [2024] NZCC 28 as they apply to **Orion** for the **CPP regulatory period** specified in clause 3.3.

3.3 This determination applies to **Orion** in respect of the supply of **electricity lines services** during the **CPP regulatory period** beginning on 1 April 2027 and ending on 31 March 2032.

4. Interpretation

4.1 Unless the context otherwise requires:

(a) terms in bold type in this determination have the meaning given to those terms in clause 4.2;

(b) terms used in this determination that are defined in the **Act** but not in this determination have the meaning given in the **Act**;

(c) terms used in this determination that are defined in the **IM determination** but not in this determination have the meaning given in the **IM determination**; and

(d) any materials incorporated by reference into this determination, including standards published or promulgated by other bodies, are incorporated in accordance with Schedule 5 of the Act.

4.2 In this determination:

A

Act	means the Commerce Act 1986

actual allowable revenue	has the meaning given in the **IM determination** and is an amount calculated in accordance with Schedule 1.6
actual maximum allowable revenue	has the meaning given, and is the value calculated in accordance with, paragraph (6) of Schedule 1.6
actual net allowable revenue	means— (a) for the **first assessment period**, an amount calculated in accordance with paragraph (4) of Schedule 1.6; and (b) for any other **assessment period**, an amount calculated in accordance with paragraph (7) of Schedule 1.6
actual revenue	has the meaning given in the **IM determination** and is an amount calculated in accordance with Schedule 1.6
additional notice	has the meaning given in paragraph (4) of Schedule 3.1
adverse environment	means an **unplanned interruption** where the primary cause is an adverse environment, such as a slip or a seismic event
adverse weather	means an **unplanned interruption** where the primary cause is due to adverse weather conditions, other than **lightning**, **vegetation** or **adverse environment**
alternate day	means, for the purposes of an **intended interruption**, a calendar day (dd/mm/yyyy) outside the **notified interruption window** when that **intended interruption** is permitted to occur, as specified in an **additional notice**
amalgamation	has the meaning given to 'amalgamate' in the **IM determination**
annual compliance statement	means a statement that **Orion** must provide under clause 11.4

annual price-setting compliance statement	means a statement that **Orion** must provide under clause 11.1
assessment period	means a 12-month period commencing on 1 April and ending on 31 March of the following year
asset replacement and renewal	means an activity where the **primary driver** is the need to maintain **network** asset integrity in order to maintain either— (a) current security; (b) quality of supply standards; or (c) current security and quality of supply standards, where this activity includes replacing or renewing assets due to— (a) the progressive physical deterioration of the condition of **network** assets or their immediate surrounds; (b) the obsolescence of **network** assets; (c) preventative replacement programmes, consistent with asset life-cycle management policies; or (d) the need to ensure the ongoing physical security of the **network** assets
auditor	has the meaning given in the **IM determination**
	C
capex incentive amount	has the meaning given in the **IM determination**
cause	means one of either: (a) **lightning**; (b) **vegetation**; (c) **adverse weather**; (d) **adverse environment**;

	(e) **third party interference**; (f) **wildlife**; (g) **human error**; (h) **defective equipment**; (i) **other cause**; or (j) **unknown cause**
Class B interruptions	means **planned interruptions** by **Orion**
Class B notified interruption	means a **Class B interruption** that **Orion** has given **additional notice** for, and the **Class B interruption** is recorded as a 'Class B notified interruption' in **Orion's** internal systems
Class C interruptions	means **unplanned interruptions** originating within the **system fixed assets** of **Orion**
Commission	means the Commerce Commission as defined in section 2 of the **Act**
commissioned	has the meaning given in the **IM determination**
commissioning	has the meaning given to 'commissioned' in the **IM determination**
consumer	has the meaning given in the **IM determination**
contingent project	has the meaning given in the **IM determination**
CPI	has the meaning given in the **IM determination**
CPP regulatory period	means the time period beginning on 1 April 2027 and ending on 31 March 2032;
customer interruption minutes	means the sum of the total duration in minutes accumulated for each **ICP** for each **interruption**

D

defective equipment	means an **unplanned interruption** resulting from either: (a) mechanical equipment failure; or (b) electrical equipment failure
director	has the meaning given in the **IM determination**
disclosure year	has the meaning given in the **IM determination**
distribution cables (excluding LV)	means all **underground** power cables operated at **distribution voltage** excluding **low voltage** cables
distribution lines (excluding LV)	means all **overhead** power lines operated at **distribution voltage** excluding **low voltage** lines
distribution other (excluding LV)	means **network** assets operated at **distribution voltage** which are not **distribution cables** or **distribution lines** and excluding **low voltage** assets
distribution voltage	means 3 phase nominal voltage— (a) over 1 **kV** and up to and including 30 **kV**; and (b) excludes those voltages used within the **network** in the role or manner of a **subtransmission voltage**
DPP determination	has the meaning given in the **IM determination**

E

EDB	means a supplier of **electricity lines services** other than **Transpower**
EDB DPP4 regulatory period	means the **regulatory period** 1 April 2025 to 31 March 2030

electricity distribution services	has the meaning given in the **IM determination**
electricity lines services	has the meaning given in the **IM determination**
electricity retailer	means a **person** who supplies electricity to another **person(s)** for any purpose other than for re-supply by the other **person(s)**
embedded network	has the meaning given in Part 1 of the Electricity Industry Participation Code 2010
exempt EDB	means an **EDB** other than a **non-exempt EDB**
extended reserves allowance	has the meaning given in the **IM determination**
extreme event	means any period of 24 hours that starts on the hour or half past the hour where either: (a) the **extreme event standard limit** specified in paragraph (1)(a) of Schedule 3.3 is exceeded; or (b) the **extreme event standard limit** specified in paragraph (1)(b) of Schedule 3.3 is exceeded
extreme event standard limits	means for **unplanned interruptions**, the **SAIDI value** and the **customer interruption minutes** against which **Orion's** compliance with the quality standard in clause 9.6 is assessed, and is specified in paragraph (1) of Schedule 3.3
	F
first assessment period	means the **assessment period** commencing on 1 April 2027 and ending on 31 March 2028; and
forecast value of commissioned asset	has the meaning given in the **IM determination**

forecast allowable revenue	has the meaning given in the **IM determination** and is the amount calculated for each **assessment period** as specified in Schedule 1.4
forecast CPI	has the meaning given in the **IM determination**
forecast net allowable revenue	has the meaning given in the **IM determination** and is: (a) in respect of the **first assessment period**, the amount specified for **Orion** in Schedule 1.1; and (b) in respect of each of the second to fifth **assessment periods** of the **CPP regulatory period**, the amount calculated for **Orion** in accordance with Schedule 1.3
forecast opex	has the meaning given in the **IM determination**
forecast revenue from prices	has the meaning given in the **IM determination**

H

human error	means an **unplanned interruption** resulting from either: (a) contractors or staff; (b) **commissioning** errors; (c) incorrect protection settings; (d) SCADA problems; (e) switching errors; or (f) dig-in

I

ICP	means a point of connection on a local **network** or **embedded network** which the **EDB** nominates as the point at which an

	electricity retailer will be deemed to supply electricity to a **consumer**
IM determination	means the *Electricity Distribution Services Input Methodologies Determination 2012* [2012] NZCC 26, including amendments in force at the commencement of the **CPP regulatory period** and as varied in accordance with the deed set out in Schedule 12 of this determination
incentive rate	means the amount used for purposes of calculating the **quality incentive adjustment**, and is specified in paragraph (4) of Schedule 4
independent	has the meaning given in the **IM determination**
innovation and non-traditional solutions allowance	has the meaning given in the **IM determination**
input methodology	has the same meaning as in section 52C of the **Act**
intended interruption	means, for the purposes of Schedule 3.1 only, a **Class B interruption** that is planned by **Orion** but has not yet commenced, where: (a) **additional notice** has been given; and (b) it is recorded as a 'notified interruption' in **Orion's** internal systems
intended interruption cancelled with notice	means an **intended interruption** that did not occur, where: (a) **additional notice** for that **intended interruption** was given; and (b) the **intended interruption** was not an **intended interruption cancelled without notice**
intended interruption cancelled without notice	means an **intended interruption** that did not occur, where:

(a) **additional notice** for that **intended interruption** was given; and

(b) either or both of the following occurred:

(i) **Orion** failed to provide notice of the cancellation to all persons that were provided the **additional notice** in respect of that **intended interruption**; or

(ii) notice of the cancellation was provided to all persons that were provided the **additional notice** in respect of that **intended interruption** less than 24 hours prior to the scheduled start time of the **intended interruption** (as specified in the **notified interruption window** or **alternate day**)

intended SAIDI value means either—

(a) the value calculated for **intended interruptions cancelled without notice** in accordance with paragraph (2)(b) of '$SAIDI_N$' in Schedule 3.1; or

(b) the value calculated for **intended interruptions cancelled with notice** in accordance with paragraph (2)(c) of '$SAIDI_N$' in Schedule 3.1

interruption means, in relation to the conveyance of electricity to a **consumer** by means of a **prescribed voltage electric line**, the cessation of conveyance of electricity to that **consumer** for a period of 1 minute or longer, or disconnection of that **consumer**, other than—

(a) in accordance with any requirements in the Electricity Industry Participation Code 2010 relating to extended reserves; or

	(b) as a result of an automatic under voltage, under frequency, or rolling outage scheme or similar arrangement required as part of the system operator services or other instruction from an authorised regulator; or (c) for breach of the contract under which the electricity is conveyed; or (d) as a result of a request from the **consumer**; or (e) as a result of a request by the **consumer's electricity retailer**; or (f) for the purpose of isolating an unsafe installation
INTSA output	means an output to be delivered in the supply of **electricity distribution services** by the **project** or **programme** in an **INTSA proposal**
INTSA proposal	has the meaning given in paragraph (1) of Schedule 5.3
ISAE (NZ) 3000	means the *International Standard on Assurance Engagements (New Zealand) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information,* issued by the New Zealand Auditing and Assurance Standards Board of the External Reporting Board in April 2026, or any equivalent standard that replaces that standard
	K
kV	means kilovolt
	L
large connection contract	has the meaning given in the **IM determination**

large connection contract wash-up amount	has the meaning given in paragraph (9) of Schedule 1.6
lightning	means an **unplanned interruption** where the primary cause is a lightning strike, resulting in either: (a) insulation breakdown, where typically protection is the only observable operation; (b) flashovers, where typically protection is the only observable operation; or (c) insulation breakdown and flashovers, where typically protection is the only observable operation
location	means the name of a circuit on which an **interruption** originated
low voltage	means the nominal Alternating Current (AC) voltage of less than 1000 volts or the assets of the **EDB** that are directly associated with the transport or delivery of electricity at those voltages

M

main equipment	means one of either: (a) **subtransmission lines**; (b) **subtransmission cables**; (c) **subtransmission other**; (d) **distribution lines (excluding LV)**; (e) **distribution cables (excluding LV)**; or (f) **distribution other (excluding LV)**
major external factors	means one or more of the following: (a) **natural disaster**; (b) **third party interference**; (c) a fire that does not originate on **Orion's network**; or

	(d) **wildlife**
major transaction	has the meaning given to 'major transaction event' in the **IM determination**
merger	means a transaction whereby **Orion** takes over, or otherwise merges with, another **non-exempt EDB** other than by an **amalgamation**, which includes— (a) the purchase of all the assets of another **non-exempt EDB**; (b) the acquisition of sufficient shares in another **non-exempt EDB** to have an interest in the other **non-exempt EDB** sufficient to enable it, whether directly or indirectly, to exert a substantial degree of influence over the activities of the other **non-exempt EDB**; or (c) a scheme of arrangement under Part 15 of the Companies Act 1993 having like effect
mid-point estimate of post-tax WACC	means 6.02%
MVA	Means MegaVolt-Ampere
	N
natural disaster	means an **unplanned interruption** that is the result of one or more of the following: (a) earthquakes; (b) landslips; (c) floods; (d) severe weather events, including severe **lightning**, severe storms (including solar storms), severe wind and severe rain; (e) tsunamis; or (f) volcanic and hydrothermal activity

network	means the fixed assets used by an **EDB** to provide **electricity lines services**
non-exempt EDB	has the meaning given in the **IM determination**
notified interruption window	means the period of time within which the **intended interruption** is due to occur, as specified in an **additional notice**, and must specify the start date (dd/mm/yyyy) and start time (hh:mm) and end date (dd/mm/yyyy) and end time (hh:mm) of the **intended interruption**
	O
opening RAB value	has the meaning given in clause 2.2.4(3) of the **IM determination**
opex incentive amount	has the meaning given in the **IM determination**
Orion	means Orion New Zealand Limited and any subsequent entity or entities that it becomes because of any **amalgamation**, **merger**, or **major transaction**
Orion CPP expenditure model	means the workbook titled *Orion Supporting Model – Expenditure vFinal decision* published on the **Commission's** website on [date to add]
Orion CPP financial model	means the workbook titled *Orion CPP Financial Model vFinal decision* published on the **Commission's** website on [date to add]
Orion CPP supporting model	means the workbook titled *Orion Supporting Model – Other vFinal decision* published on the **Commission's** website on [date to add]
other cause	means an **unplanned interruption** for which the primary cause is known, but is not **lightning**, **vegetation**, **adverse weather**, **adverse environment**, **third party**

	interference, **wildlife**, **human error**, or **defective equipment**
other regulated income	has the meaning given in the **IM determination**
overhead	means circuits installed as overhead lines, expressed in km
	P
pass-through cost	has the meaning given in the **IM determination**
person	has the meaning given in the **IM determination**
planned interruption	means any **interruption** other than an **unplanned interruption**
planned accumulated SAIDI limit	means the **SAIDI value** against which **Orion's** compliance with the planned interruptions reliability assessment cap specified in clause 9.2 is assessed, and is specified in paragraph (1) of Schedule 3.1
planned accumulated SAIFI limit	means the **SAIFI value** against which **Orion's** compliance with the planned interruptions reliability assessment cap specified in clause 9.2 is assessed, and is specified in paragraph (1) of Schedule 3.1
planned SAIDI assessed value	means— (a) the sum of **SAIDI values** for **planned interruptions** for an **assessment period** calculated in accordance with the formula specified in paragraph (2) of Schedule 3.1; and (b) the sum of **intended SAIDI values** for **intended interruptions cancelled with notice** and **intended interruptions cancelled without notice** for an **assessment period** calculated in

	accordance with '$SAIDI_N$' in paragraph (2) of Schedule 3.1
planned SAIFI assessed value	means the sum of **SAIFI values** for **planned interruptions** for an **assessment period** calculated in accordance with paragraph (3) of Schedule 3.1
prescribed voltage electric line	means an electric line that is capable of conveying electricity at a voltage equal to or greater than 3.3 kilovolts
prices	has the meaning given in the **IM determination**
primary driver	has the meaning given in the **IM determination**
programme	has the meaning given in the **IM determination**
project	has the meaning given in the **IM determination**
	Q
quality incentive adjustment	has the meaning given in the **IM determination**, and is calculated in accordance with paragraph (5) of Schedule 4
quantity	has the meaning given in the **IM determination**
	R
recoverable costs	has the meaning given in the **IM determination**, where certain 'recoverable costs' for the **CPP regulatory period** are specified in Schedule 2.1
regulatory period	has the meaning given in the **IM determination**

remaining asset life	has the meaning given in the **IM determination**
retention factor	has the meaning given in the **IM determination** and is specified in paragraph (4) of Schedule 2.2
revenue at risk	means the amount used for purposes of calculating the **quality incentive adjustment**, and is the amount calculated for each **assessment period** as specified in paragraph (6)(h) of Schedule 4
revenue smoothing limit	has the meaning given in the **IM determination** and is an amount calculated in accordance with Schedule 1.5
	S
SAE 3100	means *the Standard on Assurance Engagements 3100, Compliance Engagements*, issued by the New Zealand Auditing and Assurance Standards Board of the External Reporting Board in April 2026, or any equivalent standard that replaces that standard
SAIDI INTSA value	means the **SAIDI value** of an **interruption** where the cause of the **interruption** is directly associated with a **project** or **programme** in an **INTSA proposal** that the **Commission** has approved under paragraph (7) of Schedule 5.3
SAIDI major event	means any period of 24 hours that starts on the hour or half past the hour, where the sum of **SAIDI values** over that period for **unplanned interruptions** exceeds the applicable **SAIDI unplanned boundary value**
SAIDI unplanned boundary value	means the value specified in paragraph (1) of Schedule 3.2
SAIDI planned interruption cap	means the maximum **SAIDI value** for **planned interruptions** used for purposes of calculating

	the **quality incentive adjustment**, and is specified in paragraph (3) of Schedule 4
SAIDI planned interruption collar	means the minimum **SAIDI value** for **planned interruptions** used for purposes of calculating the **quality incentive adjustment**, and is specified in paragraph (3) of Schedule 4
SAIDI planned interruption target	means the **SAIDI value** for **planned interruptions** used for purposes of calculating the **quality incentive adjustment**, and is specified in paragraph (3) of Schedule 4
SAIDI unplanned interruption cap	means the maximum **SAIDI value** for **unplanned interruptions** used for purposes of calculating the **quality incentive adjustment**, and is specified in paragraph (2) of Schedule 4
SAIDI unplanned interruption collar	means the minimum **SAIDI value** for **unplanned interruptions** used for purposes of calculating the **quality incentive adjustment**, and is specified in paragraph (2) of Schedule 4
SAIDI unplanned interruption target	means the **SAIDI value** for **unplanned interruptions** used for purposes of calculating the **quality incentive adjustment**, and is specified in paragraph (2) of Schedule 4
SAIDI value	means the **customer interruption minutes** accrued for each **interruption** divided by the total number of **ICPs**, where: (a) an **interruption**, and any **successive interruptions** to that **interruption**, are recorded in a manner that is consistent with that applied by **Orion** for the first **assessment period** of the **EDB DPP4 regulatory period**; and (b) any **interruption** that spans multiple 30 minute periods accrues to the 30 minute period in which the **interruption** began

SAIFI INTSA value	means the **SAIFI value** of an **interruption** where the cause of the **interruption** is directly associated with a **project** or **programme** in an **INTSA proposal** that the **Commission** has approved under paragraph (7) of Schedule 5.3
SAIFI major event	means any period of 24 hours that starts on the hour or half past the hour, where the sum of **SAIFI values** over that period for **unplanned interruptions** exceeds the applicable **SAIFI unplanned boundary value**
SAIFI unplanned boundary value	means the value specified in paragraph (1) of Schedule 3.2
SAIFI value	means the number of **ICPs** affected by each **interruption** divided by the total number of **ICPs**, where that **interruption** and any **successive interruptions** to that **interruption**, are recorded in a manner that is consistent with that applied by **Orion** for the first **assessment period** of the **EDB DPP4 regulatory period**
subtransmission cables	means all power cables operated at a **subtransmission voltage**
subtransmission lines	means all power lines operated at a **subtransmission voltage**
subtransmission other	means an asset operated at a **subtransmission voltage** that is not a **subtransmission cable** or **subtransmission line**
subtransmission voltage	means 3 phase nominal voltage— (a) over 30 **kV** and up to and including 110 **kV**; or (b) 22**kV**, if that voltage is used within the **network** in the role or manner of a sub-transmission voltage
successive interruption	means an **interruption** that follows an initial **interruption** that either:

(a) relates directly to that initial **interruption**; or
(b) occurs as part of the process of restoring supply of **electricity lines services** following that initial **interruption**

system fixed assets means all fixed assets owned, provided, maintained, or operated by **Orion** that are used or intended to be used for the supply of **electricity lines services**

T

third party interference means an **unplanned interruption** resulting from acts or omissions of persons outside the control of **Orion**, and includes :
(a) dig-in;
(b) **overhead** contact;
(c) vandalism; and
(d) vehicle damage

transfer means a transaction, other than an **amalgamation, merger** or **major transaction**, where consumers are acquired or no longer supplied by the **EDB** and that transaction—
(a) has resulted in, or will result in, the acquisition of, or an agreement to acquire, assets with a value equivalent to 10% or less of that **EDB's opening RAB value** in the **assessment period** of acquisition;
(b) has resulted in, or will result in, the disposal of, or an agreement to dispose of, assets of that **EDB** with a value of 10% or less of its **opening RAB value** in the **assessment period** of disposal;
(c) has, or is likely to have, the effect of that **EDB** acquiring rights or interests with a value which is equivalent to 10% or less of its **opening RAB value** in the **assessment period** of acquisition; or
(d) has, or is likely to have, the effect of that **EDB** incurring obligations or liabilities or contingent liabilities, excluding loans or borrowing costs in

	respect of assets, with a value equivalent to 10% or less of its **opening RAB value** in the **assessment period** of incurring the obligation
transmission pricing methodology	means the methodology determined by the Electricity Authority that specifies how **Transpower's** charges for its services are allocated and who is to be charged
Transpower	means Transpower New Zealand Limited or any subsidiary of, or successor to, that company

U

undercharging limit	has the meaning given in the **IM determination** and is the value specified in paragraph (1) of Schedule 1.7
underground	means all circuits that are installed as underground cables
unknown cause	means an **unplanned interruption** where the cause of that **interruption** is not known
unplanned interruption	means any **interruption** in respect of which no notice was given, or less than 24 hours' notice was given to: (a) the public; or (b) all **consumers** affected by the **interruption**
unplanned SAIDI assessed value	means the sum of **SAIDI values** for **unplanned interruptions** for an **assessment period** calculated in accordance with paragraph (2) of Schedule 3.2
unplanned SAIFI assessed value	means the sum of **SAIFI values** for **unplanned interruptions** for an **assessment period** calculated in accordance with paragraph (3) of Schedule 3.2
unplanned SAIDI limit	means the **SAIDI value** for **unplanned interruptions** against which **Orion's** compliance

	with the annual unplanned interruptions reliability assessment specified in clause 9.4 is assessed, and is specified in paragraph (1) of Schedule 3.2
unplanned SAIFI limit	means the **SAIFI value** for **unplanned interruptions** against which **Orion's** compliance with the annual unplanned interruptions reliability assessment specified in clause 9.4 is assessed, and is specified in paragraph (1) of Schedule 3.2
unregulated services	has the meaning given in the **IM determination**
	V
vegetation	means an **unplanned interruption** resulting from vegetation contact and includes debris contact, grass contact and tree contact
vegetation management	means an activity where the **primary driver** is the need to either— (a) physically fell vegetation; (b) remove vegetation; or (c) trim vegetation, where that need is in the proximity of **overhead** lines or **underground** cables, including— (a) root management; (b) inspecting affected lines and cables, where the inspection is substantially or wholly directed to this need (e.g., as part of a 'vegetation management' contract), including either: (i) pre-trim inspections; and (ii) inspections of vegetation cut for the primary purpose of ensuring the work has been undertaken in an appropriate manner; and (c) liaising with landowners, including either: (i) the issue of trim notices; (ii) the issue of cut notices; (iii) the issue of trim and cut notices; and (iv) follow-up calls on notices; and

	(d) the felling or trimming of vegetation to meet externally imposed requirements or internal policy, including operational support such as any mobile generation used during the activity
voluntary revenue foregone	has the meaning given in the **IM determination**
	W
wash-up account balance	has the meaning given in the **IM determination**
wash-up accrual amount	has the meaning given in the **IM determination** and is an amount calculated in accordance with paragraph (1) of Schedule 1.6
wildlife	means an **unplanned interruption** resulting from wildlife contact and includes, but is not limited to: (a) birds; (b) possums; (c) vermin; and (d) cats
working day	has the meaning given in section 2(1) of the **Act**.

5. Customised price-quality path

5.1 During the **CPP regulatory period**, **Orion** must comply with the price-quality path, which consists of—

(a) the price path specified in clause 8; and

(b) the quality standards specified in clause 9.

6. Applicable input methodologies

6.1 The **input methodologies** that apply are the following parts of the **IM determination**:

(a) Part 1 – general provisions;

(b) Subpart 1 of Part 3 – specification of price;

(b) Subpart 2 of Part 3 – amalgamations;

(c) Subpart 3 of Part 3 – incremental rolling incentive scheme;

(d) Subpart 4 of Part 4 – cost of capital;

(e) Section 1 of Subpart 3 of Part 5 – Determination of annual allowable revenues;

(f) Section 2 of Subpart 3 of Part 5 – Cost allocation and asset valuation;

(g) Section 3 of Subpart 3 of Part 5 – Treatment of taxation;

(h) Section 4 of Subpart 3 of Part 5 – Cost of capital; and

(i) Subpart 6 of Part 5 – Reconsideration of the customised price-quality path.

6.2 The **input methodologies** that apply are subject to the variations agreed with **Orion** as set out in Schedule 12.

7. When the customised price-quality path may be reconsidered

7.1 The customised price-quality path in this determination may be reconsidered in accordance with Subpart 6 of Part 5 of the **IM determination**, as varied in accordance with the deed set out in Schedule 12 of this determination.

Contingent projects

7.2 For the purposes of clause 5.6.10 of the **IM determination**, the **projects** or **programmes** identified as **contingent projects** for the **CPP regulatory period** are set out in Schedule 5.4.

8. Price path

Starting price

8.1 The starting price that applies to **Orion** for the **CPP regulatory period** is set out in Schedule 1.1.

Rates of change

8.2 The annual rates of change in revenue, relative to **CPI**, that are allowed for **Orion** during the **CPP regulatory period** are set out in Schedule 1.2.

Compliance with the price path and related pricing matters

8.3 To comply with the price path for an **assessment period** of the **CPP regulatory period**–

(a) in respect of the **first assessment period** of the **CPP regulatory period**, **Orion's forecast revenue from prices** for that **assessment period** must not exceed the amount calculated in accordance with the following formula–

$$\$303{,}512{,}000 + FLCCR + FPTC + FRC$$

where–

$FLCCR$ is revenue forecast to be received under all **large connection contracts**;

$FPTC$ is forecast **pass-through costs**; and

FRC is forecast **recoverable costs**;

(b) in respect of each of the second to fifth **assessment periods** of the **CPP regulatory period**, **Orion's–**

(i) **forecast revenue from prices** for that **assessment period** must not exceed the **forecast allowable revenue** for that **assessment period**; and

(ii) **forecast revenue from prices** for that **assessment period**, less forecast **pass-through costs** and less revenue forecast to be received under any **large connection contract**, must not exceed the **revenue smoothing limit**.

8.4 All forecast **quantities** used to calculate **Orion's forecast revenue from prices**, and all forecasts as to costs and revenues used to ensure that a **revenue smoothing limit** is not exceeded, must be demonstrably reasonable.

8.5 When setting prices for an **assessment period**, **Orion** must calculate the **forecast revenue from prices** for the **assessment period**.

9. Quality standards

Compliance with planned interruptions quality standard

9.1 **Orion** must comply with the planned interruptions reliability assessment cap specified in clause 9.2 for the **CPP regulatory period**.

Planned interruptions reliability assessment cap

9.2 For the purpose of clause 9.1, to comply with the planned interruptions reliability assessment cap, in respect of **planned interruptions**, at the end of the fifth **assessment period** of the **CPP regulatory period**—

(a) the sum of **Orion's planned SAIDI assessed values** for the **CPP regulatory period**, being the sum accumulated for all five **assessment periods** of the **CPP regulatory period**, must not exceed the **planned accumulated SAIDI limit**; and

(b) the sum of **Orion's planned SAIFI assessed values** for the **CPP regulatory period**, being the sum accumulated for all five **assessment periods** of the **CPP regulatory period**, must not exceed the **planned accumulated SAIFI limit**.

Compliance with unplanned interruptions quality standard

9.3 **Orion** must, in respect of each **assessment period**, comply with the annual unplanned interruptions reliability assessment specified in clause 9.4 for that **assessment period**.

Annual unplanned interruptions reliability assessment

9.4 For the purpose of clause 9.3, to comply with the annual unplanned interruptions reliability assessment,—

(a) **Orion's unplanned SAIDI assessed value** for the **assessment period** must not exceed the **unplanned SAIDI limit** specified in paragraph (1) of Schedule 3.2; and

(b) **Orion's unplanned SAIFI assessed value** for the **assessment period** must not exceed the **unplanned SAIFI limit** specified in paragraph (1) of Schedule 3.2.

Compliance with extreme event standard

9.5 **Orion** must, in respect of each **assessment period**, comply with the extreme event standard specified in clause 9.6 for that **assessment period**.

Extreme event standard

9.6 For the purpose of clause 9.5, to comply with the extreme event standard, **Orion** must not have an **extreme event** in the **assessment period**.

10. Transactions

Requirement to notify the Commission of large transactions

10.1 **Orion** must notify the **Commission** in writing within 30 **working days** after entering into an agreement with another **EDB** or **Transpower** for an **amalgamation**, **merger**, **major transaction**, or **transfer.**

Transfers

10.2 If **Orion** is party to a **transfer**, **Orion** must, subject to clause 10.3, adjust the following measures in accordance with clauses 10.4 to 10.13—

(a) **forecast net allowable revenue** and **wash-up account balance**;

(b) **planned accumulated SAIDI limit**;

(c) **planned accumulated SAIFI limit**;

(d) **unplanned SAIDI limit**;

(e) **unplanned SAIFI limit**;

(f) **SAIDI unplanned boundary value**;

(g) **SAIFI unplanned boundary value**;

(h) **SAIDI planned interruption cap**;

(i) **SAIDI unplanned interruption cap**;

(j) **SAIDI planned interruption target**;

(k) **SAIDI unplanned interruption target**; and

(l) **incentive rate**.

10.3 Despite clause 10.2, **Orion** is not required to adjust the measures specified in clause 10.2(b) to (l) in respect of a **transfer** in which the number of **ICPs** transferred is less than 0.5% of the number of the **ICPs** that, immediately prior to the **transfer**, were supplied electricity by the **non-exempt EDB** that, of the **non-exempt EDBs** that are party to the **transfer**, supplied electricity to the smallest number of **ICPs** immediately prior to the **transfer**.

Transfers with another non-exempt EDB

10.4 If **Orion** is party to a **transfer** with another **non-exempt EDB, Orion** must agree with the other **non-exempt EDB**—

(a) an allocation of the **forecast net allowable revenue** and **wash-up account balance** attributable to the **consumers** transferred as a result of the **transfer** that is**:**

(i) reasonable; and

(ii) supported by a robust and verifiable analysis; and

(b) an allocation of the measures specified in clause 10.2(b)-(l) that:

(i) best reflects the historic reliability of those parts of the **network** which have been the subject of the **transfer**; and

(ii) is supported by a robust and verifiable analysis,

and those allocations are subject to the approval of the **Commission**.

10.5 If an allocation under clause 10.4(a) has been approved by the **Commission**—

(a) if **Orion** is **transferring consumers**, **Orion** must reduce its **forecast net allowable revenue** and **wash-up account balance** by the amount determined in accordance with clause 10.4(a) for the remaining **assessment periods** of the **CPP regulatory period**; and

(b) if **Orion** is receiving a **transfer** of **consumers**, **Orion** must increase its **forecast net allowable revenue** and **wash-up account balance** by the amount determined in accordance with clause 10.4(a) for the remaining **assessment periods** of the **CPP regulatory period**.

10.6 If an allocation under clause 10.4(b) has been approved by the **Commission**, **Orion** must adjust the measures specified in clause 10.2(b)-(l) by the amounts determined in accordance with clause 10.4(b) for the remaining **assessment periods** of the **CPP regulatory period**.

Transfers with an exempt EDB

10.7 If **Orion** is party to a **transfer** with an **exempt EDB**, it must—

(a) allocate the **forecast net allowable revenue** and **wash-up account balance** attributable to the **consumers** transferred as a result of the **transfer** in a manner that is:

(i) reasonable; and

(ii) supported by a robust and verifiable analysis; and

(b) allocate the measures specified in clause 10.2(b)-(l) in a manner that:

(i) best reflects the historic reliability of those parts of the **network** which have been the subject of the **transfer**; and

(ii) is supported by a robust and verifiable analysis,

and those allocations are subject to the approval of the **Commission.**

10.8 If an allocation under clause 10.7(a) has been approved by the **Commission** and **consumers** are **transferred** from **Orion**, **Orion** must reduce its **forecast net allowable revenue** and adjust its **wash-up account balance** by the amount determined in accordance with clause 10.7(a) for the remaining **assessment periods** of the **CPP regulatory period**.

10.9 If an allocation under clause 10.7(a) has been approved by the **Commission** and **Orion** receives a **transfer** of **consumers**, **Orion** must increase its **forecast net allowable revenue** and adjust its **wash-up account balance** by the amount determined in accordance with clause 10.7(a) for the remaining **assessment periods** of the **CPP regulatory period**.

10.10 If an allocation under clause 10.7(b) has been approved by the **Commission**, **Orion** must adjust the measures specified in clause 10.2(b)-(l) by the amounts determined in accordance with clause 10.7(b) for the remaining **assessment periods** of the **CPP regulatory period**.

Transactions resulting in an amalgamation or merger

10.11 If **Orion** completes—

(a) an **amalgamation** with one or more **non-exempt EDBs**, clause 3.2.1 of the **IM determination** applies, unless the **amalgamation** is a **major transaction**; or

(b) a **merger** with one or more **non-exempt EDBs**, clause 3.2.1 of the **IM determination** applies as if it were an **amalgamation**, unless the **merger** is a **major transaction**.

10.12 If **Orion** completes an **amalgamation** or **merger** and that transaction does not result in a **major transaction**, it must aggregate the measures specified in clause 10.2(b)-(l) in a manner that:

(a) best reflects the historic reliability of the **networks** which have been the subject of the **amalgamation** or **merger**; and

(b) is supported by a robust and verifiable analysis,

and that aggregation is subject to the approval of the **Commission**.

10.13 Where an aggregation under clause 10.12 has been approved by the **Commission**, **Orion** must adjust the measures specified in clause 10.2(b)-(l) by the amounts determined in accordance with clause 10.12 for the remaining **assessment periods** of the **CPP regulatory period**.

Commission approval of allocation or aggregation

10.14 The **Commission** must approve an allocation or aggregation made by **Orion** under clauses 10.4(a), 10.4(b), 10.7(a), 10.7(b) or 10.12 if it is satisfied that **Orion** has complied with the requirements applying to that allocation.

11. Annual compliance statements

Annual price-setting compliance statement

11.1 **Orion** must—

(a) provide to the **Commission** a written 'annual price-setting compliance statement' in respect of **price** setting for each **assessment period** of the **CPP regulatory period** before the start of each **assessment period**;

(b) make the statement and the **director's** certificate provided under clause 11.2(c) publicly available on its website at the same time it provides it to the **Commission**; and

(c) provide to the **Commission** schedules reflecting the **prices** and forecast **quantities** used in the calculation of **forecast revenue from prices**, disclosed in an electronic format that is compatible with Microsoft Excel, with the statement.

11.2 The **annual price-setting compliance statement** must—

(a) state whether or not **Orion** has:

(i) in respect of the **first assessment period** of the **CPP regulatory period**, complied with the price path in clause 8.3(a) for the **assessment period**; and

(ii) in respect of the second to fifth **assessment periods** of the **CPP regulatory period**, complied with the price path in clause 8.3(b) for the **assessment period**;

(b) state the date on which the statement was prepared; and

(c) include a certificate in the form set out in Schedule 6, signed by at least one **director** of **Orion**.

11.3 The **annual price-setting compliance statement** must include the following information—

(a) **Orion's** calculation of its **forecast revenue from prices** together with supporting information for all components of the calculation;

(b) **Orion's** calculation of its **forecast allowable revenue** together with supporting information for all components of the calculation;

(c) if **Orion** has not complied with the price path, the reasons for the non-compliance; and

(d) if **Orion** has not complied with the price path, any actions taken to mitigate any non-compliance and to prevent similar non-compliance in future **assessment periods**.

Annual compliance statement in respect of the wash-up accrual amount calculation, quality standards and transactions

11.4 Within 5 months after the end of each **assessment period** of the **CPP regulatory period**, **Orion** must—

(a) provide to the **Commission** a written 'annual compliance statement' in respect of the **wash-up accrual amount** calculation, quality standards and quality incentives and transactions;

(b) make the statement publicly available on its website; and

(c) provide to the **Commission** schedules reflecting the **prices** and actual **quantities** used to calculate the **wash-up accrual amount**, disclosed in an electronic format that is consistent with Microsoft Excel.

11.5 The **annual compliance statement** must—

(a) state whether or not **Orion** has—

(i) correctly calculated the **wash-up accrual amount** consistently with the **IM determination** and Schedules 1.6 and 1.7;

(ii) correctly calculated the **wash-up account balance** consistently with the **IM determination**; and

(iii) complied with the quality standards in clause 9 for the **assessment period**;

(b) state the day on which the statement was prepared;

(c) state whether or not **Orion** has entered into any agreement with another **EDB** or **Transpower** for an **amalgamation, merger**, **major transaction** or **transfer** in the **assessment period**;

(d) include a certificate in the form set out in Schedule 7, signed by at least one **director** of **Orion**; and

(e) be accompanied by an assurance report meeting the requirements in Schedule 8, in respect of all information contained in the **annual compliance statement**.

11.6 The **annual compliance statement** must include any information reasonably necessary to demonstrate whether **Orion** has complied with clause 9, clauses 10.1-10.13, this clause, Schedule 1.6, Schedule 1.7 and Schedule 4, including—

Wash-up accrual amount calculation and large connection contracts

(a) details of the **wash-up accrual amount** calculation performed by **Orion**, together with supporting information for all components of the calculation;

(b) details of the **wash-up account balance** calculation performed by **Orion**, together with supporting information for all components of the calculation;

(c) details of the matters taken into account to ensure that revenue has been correctly treated as revenue received under any **large connection contract**, together with supporting information to demonstrate that the criteria for a contract to be a **large connection contract** have been satisfied;

Quality standards and quality incentives compliance

(d) actions taken to mitigate any non-compliance with clause 9 and Schedules 3.1-3.3 and to prevent similar non-compliance in future **assessment periods**;

(e) for the purposes of the planned interruptions reliability assessment cap specified in clause 9.2, the **planned SAIDI assessed value**, **planned SAIFI assessed value**, **planned SAIDI accumulated limit**, **planned SAIFI accumulated limit**, and any planned **SAIDI INTSA values** and planned **SAIFI INTSA values** excluded under Schedule 3.1, for the **assessment period**, and any supporting calculations (including those in Schedule 3.1);

(f) for the purposes of the annual unplanned interruptions reliability assessment specified in clause 9.4, the **unplanned SAIDI assessed value**, **unplanned SAIFI assessed value**, **unplanned SAIDI limit**, **unplanned SAIFI limit**, **SAIDI unplanned boundary value**, **SAIFI unplanned boundary value**, and any unplanned **SAIDI INTSA values** or **SAIFI INTSA values** excluded under Schedule 3.2, for the **assessment period**, and any supporting calculations (including those in Schedule 3.2);

(g) for the **quality incentive adjustment**, **SAIDI planned interruption cap**, **SAIDI unplanned interruption cap**, **SAIDI planned interruption collar**, **SAIDI unplanned interruption collar**, **SAIDI planned interruption target**, **SAIDI unplanned interruption target** and **incentive rate** for the **assessment period**, and any supporting calculations (including those in Schedule 4);

(h) a description of the policies and procedures which **Orion** has used for capturing and recording **Class B interruptions** and **Class C interruptions**, and for calculating **planned SAIDI assessed values** and **unplanned SAIDI assessed values** and **planned SAIFI assessed values** and **unplanned SAIFI assessed values** for the **assessment period**;

(i) information relating to each **SAIDI major event** within the **assessment period**, including:

(i) the **cause** of the **SAIDI major event**;

(ii) the start date (dd/mm/yyyy) of the **SAIDI major event**;

(iii) the start time (hh:mm) of the **SAIDI major event**;

(iv) the end date (dd/mm/yyyy) of the **SAIDI major event**;

(v) the end time (hh:mm) of the **SAIDI major event**;

(vi) the **SAIDI value** of the **SAIDI major event** before any replacements under paragraph (2) of Schedule 3.2 occurred;

(vii) the replaced **SAIDI value** of the **SAIDI major event** in accordance with paragraph (2) of Schedule 3.2;

(viii) the **location** of the **SAIDI major event**;

(ix) the **main equipment** involved in the **SAIDI major event**;

(x) how **Orion** responded to the **SAIDI major event**;

(xi) any mitigating factors that may have prevented or minimised the **SAIDI major event**;

(xii) a description of any steps **Orion** proposes to take to mitigate the risk of future similar **SAIDI major events**;

(j) information relating to each **SAIFI major event** within the **assessment period**, including:

(i) the **cause** of the **SAIFI major event**;

(ii) the start date (dd/mm/yyyy) of the **SAIFI major event**;

(iii) the start time (hh:mm) of the **SAIFI major event**;

(iv) the end date (dd/mm/yyyy) of the **SAIFI major event**;

(v) the end time (hh:mm) of the **SAIFI major event**;

(vi) the **SAIFI value** of the **SAIFI major event** before any replacements under paragraph (3) of Schedule 3.2 occurred;

(vii) the replaced **SAIFI value** of the **SAIFI major event** in accordance with paragraph (3) of Schedule 3.2;

(viii) the **location** of the **SAIFI major event**;

(ix) the **main equipment** involved in the **SAIFI major event**;

(x) how **Orion** responded to the **SAIFI major event**;

(xi) any mitigating factors that may have prevented or minimised the **SAIFI major event**;

(xii) a description of any steps **Orion** proposes to take to mitigate the risk of future similar **SAIFI major events**; and

Transactions

(k) all information and calculations required to be made under clauses 10.1-10.13, including:

(i) all adjusted measures made in accordance with clauses 10.2-10.13;

(ii) any supporting information and calculations used to determine the adjusted measures made in accordance with clauses 10.2-10.13;

(iii) details of the **wash-up accrual amount** calculation for the period in an **assessment period** commencing 1 April and ending on the day where a **transfer**, **major transaction**, **amalgamation**, or **merger** has occurred, and any supporting information for all components of the calculation;

(iv) the sum of the **SAIDI values** for **Class B interruptions** for the period in an **assessment period** commencing 1 April and ending on the day where a **transfer**, **major transaction**, **amalgamation**, or **merger** has occurred, and any supporting calculations;

(v) the sum of the **SAIDI values** for **Class C interruptions** for the period in an **assessment period** commencing 1 April and ending on the day where a **transfer**, **major transaction**, **amalgamation**, or **merger** has occurred, and any supporting calculations;

(vi) the sum of the **SAIFI values** for **Class B interruptions** for the period in an **assessment period** commencing 1 April and ending on the day where a **transfer**, **major transaction**, **amalgamation**, or **merger** has occurred, and any supporting calculations; and

(vii) the sum of the **SAIFI values** for **Class C interruptions** for the period in an **assessment period** commencing 1 April and ending on the day where a **transfer**, **major transaction**, **amalgamation**, or **merger** has occurred, and any supporting calculations.

11.7 Despite clauses 11.4-11.6, **Orion** is not required to make publicly available on its website any information that is commercially sensitive or confidential.

12. Reporting requirements

12.1 If **Orion** has not complied with clauses 9.1 and 9.2, it must—

(a) provide to the **Commission** the 'planned interruption reporting' specified in clause 12.2 within 5 months after the end of the **assessment period** where **Orion** first exceeded the planned interruptions reliability assessment cap specified in clause 9.2; and

(b) make the 'planned interruptions reporting' specified in clause 12.2 publicly available on its website at the same time it provides it to the **Commission**.

12.2 For the purpose of clause 12.1, the 'planned interruptions reporting' must contain—

(a) the reasons for not complying with the planned interruptions reliability assessment cap specified in clause 9.2 and supporting evidence for those reasons;

(b) for each **Class B interruption** during the **CPP regulatory period**:

(i) the start date (dd/mm/yyyy) of **Class B interruption**

(ii) the start time (hh:mm) of the **Class B interruption**;

(iii) the end date (dd/mm/yyyy) of the **Class B interruption**;

(iv) the end time (hh:mm) of the **Class B interruption**;

(v) **SAIDI value** of the **Class B interruption**;

(vi) **SAIFI value** of the **Class B interruption**;

(c) any strategy for managing **Class B interruptions** that was in place for the **CPP regulatory period**;

(d) any analysis or investigation of the **Class B interruptions** for the **CPP regulatory period**;

(e) an outline of any intended strategy, intended analysis, or intended investigation that would meet the requirements specified in clause 12.2(c)-(d) which is planned, but not yet completed; and

(f) a certificate in the form set out in Schedule 9, signed by at least one **director** of **Orion**.

12.3 If **Orion** has not complied with clauses 9.3 and 9.4 for an **assessment period**, it must—

(a) provide to the **Commission** the 'unplanned interruptions reporting' specified in clause 12.4 within 5 months after the end of that **assessment period**; and

(b) make the 'unplanned interruptions reporting' specified in clause 12.4 publicly available on its website at the same time it provides it to the **Commission**.

12.4 For the purpose of clause 12.3, the 'unplanned interruptions reporting' must contain—

(a) the reasons for not complying with the annual unplanned interruptions reliability assessment specified in clause 9.4 and supporting evidence for those reasons;

for each **Class C interruption** for the **assessment period**:

(i) the start date (dd/mm/yyyy) of the **Class C interruption**;

(ii) the start time (hh:mm) of the **Class C interruption**;

(iii) the end date (dd/mm/yyyy) of the **Class C interruption**;

(iv) the end time (hh:mm) of the **Class C interruption**;

(v) **SAIDI value** of the **Class C interruption**;

(vi) **SAIFI value** of the **Class C interruption**;

(vii) the **cause**;

(b) any existing independent reviews of the state of the **network** or operational practices completed in the **assessment period** in which **Orion** failed to comply with the annual unplanned interruptions reliability assessment specified in clause 9.4 or in any of the three preceding **assessment periods**;

(c) where there was a **SAIDI major event** or **SAIFI major event** during the **assessment period** in which **Orion** first failed to comply with the annual unplanned interruptions reliability assessment specified in clause 9.4, any investigations of that **SAIDI major event** or **SAIFI major event**;

(d) any investigations into why **Orion** failed to comply with the annual unplanned interruptions reliability assessment specified in clause 9.4 for the **assessment period**;

(e) any analysis, conducted in the **assessment period** in which **Orion** failed to comply with the annual unplanned interruptions reliability assessment specified in clause 9.4 or in any of the three preceding **assessment periods**, of:

(i) trends in asset condition;

(ii) the **causes** of **Class C interruptions**;

(iii) **asset replacement and renewal**; or

(iv) **vegetation management**;

(f) an outline of any intended reviews, intended analysis, or intended investigation that would meet the categories specified in clause 12.4(b)-(e), which is planned, but not yet completed; and

(g) a certificate in the form set out in Schedule 10, signed by at least one **director** of **Orion**.

12.5 If **Orion** has not complied with clauses 9.5 and 9.6 for an **assessment period**, it must—

(a) provide to the **Commission** the 'extreme event standard reporting' specified in clause 12.6 within 5 months after the end of that **assessment period**; and

(b) make the 'extreme event standard reporting' specified in clause 12.6 publicly available on its website at the same time it provides it to the **Commission**.

12.6 For the purpose of clause 12.5, the 'extreme event standard reporting' must contain—

(a) the reasons for not complying with the extreme event standard specified in clause 12.6 and supporting evidence for those reasons;

(b) for each **Class C interruption** that starts within an **extreme event**:

(i) the start date (dd/mm/yyyy) of the **Class C interruption**;

(ii) the start time (hh:mm) of the **Class C interruption**;

(iii) the end date (dd/mm/yyyy) of the **Class C interruption**;

(iv) the end time (hh:mm) of the **Class C interruption**;

(v) **SAIDI value** of the **Class C interruption**;

(vi) **SAIFI value** of the **Class C interruption**;

(c) any existing independent reviews of the state of the **network** or operational practices completed in the **assessment period** that the **extreme event** occurred or the three preceding **assessment periods**;

(d) any analysis of:

(i) trends in asset condition for any assets relating to the **extreme event**; or

(ii) the sufficiency of **asset replacement and renewal** for assets relating to the **extreme event**;

(e) any investigation, analysis, or post-event review conducted of the **extreme event**;

(f) an outline of any intended review, intended analysis, or intended investigation that would meet the categories specified in clause 12.6(c)-(e), which is planned, but not yet completed; and

(g) a certificate in the form set out in Schedule 11, signed by at least one **director** of **Orion**.

12.7 Despite clauses 12.1, 12.3 and 12.5, **Orion** is not required to make publicly available on its website any information that is commercially sensitive or confidential.

Schedule 1.1: Starting prices

Clause 8.1

(1) The starting price for the **CPP regulatory period**, specified as **forecast net allowable revenue** for the **first assessment period** is $303,512,000.

Schedule 1.2: Annual and cumulative rates of change

Clause 8.2

(1) The annual and cumulative rates of change are set out in Table 1.2.1.

Table 1.2.1: Annual and cumulative rates of change for each assessment period

Assessment period ending 31 March	Annual rate of change (x)	Cumulative rate of change (x_c)
2029	-9.80%	1.09800
2030	-3.70%	1.13863
2031	-1.80%	1.15912
2032	-1.60%	1.17767

Schedule 1.3: Forecast net allowable revenue

Schedule 1.4

(1) The **forecast net allowable revenue** for each **assessment period** of the **CPP regulatory period**, other than for the **first assessment period**, is the amount calculated in accordance with the following formula:

$$FNAR_{Y1} \times (1 + \Delta FCPI) \times x_c$$

where–

FNAR_{Y1} is **forecast net allowable revenue** for the **first assessment period**, as specified in Schedule 1.1;

ΔFCPI is the change in **forecast CPI**, calculated in accordance with paragraph (2) of this Schedule; and

x_c is the cumulative rate of change for that **assessment period**, as specified in Schedule 1.2.

(2) For the purposes of paragraph (1), the 'change in **forecast CPI**' is determined in accordance with the following formula:

$$\frac{FCPI_{Jun,yt}+FCPI_{Sep,yt}+FCPI_{Dec,yt}+FCPI_{Mar,yt}}{FCPI_{Jun,Y1}+FCPI_{Sep,Y1}+FCPI_{Dec,Y1}+FCPI_{Mar,Y1}} - 1$$

where–

FCPI means **forecast CPI**;

yt means the current **assessment period**; and

$Y1$ is the **first assessment period**.

Schedule 1.4: Calculation of forecast allowable revenue

Clause 8.3

(1) When setting prices for an **assessment period**, **Orion** must calculate the **forecast allowable revenue**.

(2) When calculating the **forecast allowable revenue**, **Orion** must prepare a forecast of **pass-through costs** and a forecast of **recoverable costs**.

(3) All forecasts of **pass-through costs** and **recoverable costs** used to calculate the **forecast allowable revenue** must be demonstrably reasonable.

(4) For the purposes of paragraph (3), **recoverable costs** include the amounts specified in Schedule 2.1.

(5) Subject to the applicable provisions under clause 10, the **forecast allowable revenue** for an **assessment period** is the amount calculated in accordance with the following formula—

$$FNAR + FLCCR + FPTC + FRC$$

where–

$FNAR$	is the **forecast net allowable revenue**;
$FLCCR$	is revenue forecast to be received under all **large connection contracts**;
$FPTC$	is forecast **pass-through costs**; and
FRC	is forecast **recoverable costs**.

(6) All forecasts of revenue to be received under a **large connection contract** must be demonstrably reasonable.

Schedule 1.5: Revenue smoothing limit

Clause 8.3

(1) The **revenue smoothing limit** for the **CPP regulatory period**, other than for the **first assessment period**, is the amount calculated in accordance with the following formula:

$$(\mathrm{FNAR}_t + \mathrm{FRC}_{t\text{-}1} \times (1+\Delta\mathrm{SFCPI})) \times 1.1$$

where–

FNAR_t	is **forecast net allowable revenue** for the **assessment period**;
$\mathrm{FRC}_{t\text{-}1}$	is forecast **recoverable costs** for the prior **assessment period**; and
$\Delta\mathrm{SFCPI}$	is **forecast CPI** for revenue smoothing.

(2) For the purposes of paragraph (1), '**forecast CPI** for revenue smoothing' is the amount calculated in accordance with the following formula:

$$\frac{FCPI_{Jun,t}+FCPI_{Sep,t}+FCPI_{Dec,t}+FCPI_{Mar,t}}{FCPI_{Jun,t-1}+FCPI_{Sep,t-1}+FCPI_{Dec,t-1}+FCPI_{Mar,t-1}} - 1$$

where—

$\mathrm{FCPI}_{q,t}$	is **forecast CPI** for the quarter year ending in 'q' in the relevant year 'y';
t	is the current **assessment period**; and
t-1	is the **assessment period** immediately prior to the current **assessment period**.

Schedule 1.6: Calculation of wash-up accrual amount for an assessment period

Clause 11.4

Calculation of the wash-up accrual amount for an assessment period

(1) The 'wash-up accrual amount' is the amount calculated for each **assessment period** in accordance with the following formula:

$$\mathrm{AAR} - \mathrm{AR} - \Delta\mathrm{RLCC}$$

where–

AAR is **actual allowable revenue** calculated in accordance with paragraph (3) of this Schedule;

AR is **actual revenue** calculated in accordance with paragraph (2) of this Schedule; and

$\Delta\mathrm{RLCC}$ is the **large connection contract wash-up amount** calculated in accordance with paragraph (9) of this Schedule.

Calculation of actual revenue for an assessment period

(2) For the purposes of paragraph (1), 'actual revenue' is the amount calculated for an **assessment period** in accordance with the following formula:

$$\Sigma\,(\mathrm{AP} \times \mathrm{AQ}) + \mathrm{AORI} + \mathrm{ARLCC}$$

where–

$\Sigma\,(\mathrm{AP} \times \mathrm{AQ})$ is the sum of each **price** multiplied by the corresponding **quantity**;

AORI is actual **other regulated income**; and

ARLCC is actual revenue received under all **large connection contracts**.

Calculation of actual allowable revenue for an assessment period

(3) For the purposes of paragraph (1), 'actual allowable revenue' is an amount calculated for an **assessment period** in accordance with the following formula:

$$\mathrm{ANAR} + \mathrm{PTC} + \mathrm{RC} + \mathrm{QRLCC}$$

where–

ANAR is **actual net allowable revenue** as specified in paragraphs (4) and (7);

PTC is actual **pass-through costs**;

RC is actual **recoverable costs**; and

QRLCC is revenue receivable under all **large connection contracts**.

Calculation of actual net allowable revenue for the first assessment period

(4) For the purposes of paragraph (3), 'actual net allowable revenue' for the **first assessment period** is an amount calculated in accordance with the following formula:

$$\mathrm{AMAR} \div (1+\Delta\mathrm{FCPI}_{\mathrm{Y0-1}}) \times (1+\Delta\mathrm{CPI}_{\mathrm{Y0-1}})$$

where–

AMAR is **actual maximum allowable revenue** as specified in paragraph (6) of this Schedule;

$\Delta\mathrm{FCPI}_{\mathrm{Y0-1}}$ is the change in **forecast CPI** and is 2.00%; and

$\Delta\mathrm{CPI}_{\mathrm{Y0-1}}$ is the change in actual **CPI** calculated in accordance with paragraph (5) of this Schedule.

(5) For the purposes of paragraph (4), the 'change in actual **CPI**' for the **first assessment period** is an amount calculated in accordance with the formula:

$$\frac{\mathrm{CPI}_{Jun,Y1} + \mathrm{CPI}_{Sep,Y1} + \mathrm{CPI}_{Dec,Y1} + \mathrm{CPI}_{Mar,Y1}}{\mathrm{CPI}_{Jun,Y0} + \mathrm{CPI}_{Sep,Y0} + \mathrm{CPI}_{Dec,Y0} + \mathrm{CPI}_{Mar,Y0}} - 1$$

where–

$\mathrm{CPI}_{\mathrm{q,y}}$ is **CPI** for the quarter year ending in 'q' in the relevant year 'y';

$\mathrm{Y1}$ is the **first assessment period**; and

$\mathrm{Y0}$ is the **disclosure year** immediately prior to the **first assessment period**.

Calculation of actual maximum allowable revenue

(6) For the purposes of paragraph (4), 'actual maximum allowable revenue' is the value in cell J19 of the "General" outputs sheet of the **Orion CPP financial model**, being the "Maximum Allowable Revenue Before Tax" for **Orion**, determined by:

(a) linking the **Orion CPP financial model** with the **Orion CPP expenditure model** and the **Orion CPP supporting model**; and

(b) entering the actual values recorded for the **disclosure year** ending March 2027 in the **Orion CPP expenditure model** and **Orion CPP supporting model** to calculate:

(i) the sum of the actual **value of commissioned assets**; and

(ii) the weighted average **remaining asset lives** calculated in accordance with Part 2 of the **IM determination.**

Calculation of actual net allowable revenue in all other assessment periods

(7) For the purposes of paragraph (3), 'actual net allowable revenue' for each **assessment period** except the **first assessment period** is an amount calculated in accordance with the following formula:

$$ANAR_{Y1} \times (1 + \Delta CPI) \times x_c$$

where–

$\mathrm{ANAR}_{\mathrm{Y1}}$ is **actual net allowable revenue** for the **first assessment period** as calculated in accordance with paragraph (4) of this Schedule;

$\Delta\mathrm{CPI}$ is the change in actual **CPI**, calculated in accordance with paragraph (8) of this Schedule;

x_c is the cumulative rate of change for that **assessment period**, as specified in Schedule 1.2;

(8) For the purposes of paragraph (7), the 'change in actual CPI' for each **assessment period** except the **first assessment period** is an amount calculated in accordance with the formula:

$$\frac{\mathrm{CPI}_{Jun,Yt}+\mathrm{CPI}_{Sep,Yt}+\mathrm{CPI}_{Dec,Yt}+\mathrm{CPI}_{Mar,Yt}}{\mathrm{CPI}_{Jun,Y1}+\mathrm{CPI}_{Sep,Y1}+\mathrm{CPI}_{Dec,Y1}+\mathrm{CPI}_{Mar,Y1}} - 1$$

where–

$\mathrm{CPI}_{\mathrm{q,y}}$ is CPI for the quarter year ending in 'q' in the relevant year 'Y';

Yt is the current **assessment period**; and

Y1 is the **first assessment period**.

Calculation of the large connection contract wash-up

(9) For the purposes of paragraph (1), 'large connection contract wash-up amount' is an amount calculated for each **assessment period** in accordance with the following formula:

$$QRLCC - ARLCC$$

where–

QRLCC is revenue receivable under all **large connection contracts**; and

ARLCC is actual revenue received under all **large connection contracts**.

Schedule 1.7: Wash-up accrual amounts – undercharging limit

Schedule 1.6

(1) The **undercharging limit** that is to apply for the purposes of calculating **voluntary revenue foregone** under clause 3.1.4 of the **IM determination** is–

(a) for the **first assessment period**, 0.9 × the amount calculated in accordance with the formula specified in clause 8.3(a);

(b) for each of the second to fifth **assessment periods**, the lesser of:

(i) 0.9 x **forecast allowable revenue** for that **assessment period**; or

(ii) 0.9 x (**revenue smoothing limit** + forecast **pass-through costs** + revenue forecast to be received under all **large connection contracts**) for that **assessment period.**

Schedule 2.1: Recoverable costs

Schedule 1.4

Overview of this Schedule

(1) In accordance with clause 3.1.3 of the **IM determination**, this Schedule specifies the **recoverable costs** that **Orion** may recover for the **CPP regulatory period**.

Recoverable costs

(2) The **forecast opex** used for calculating the **opex incentive amount** is specified in paragraph (1) of Schedule 2.2.

(3) The sum of the **forecast value of commissioned assets** and **retention factor** used for calculating the **capex incentive amount** are specified in paragraphs (2)-(4) of Schedule 2.2.

(4) Avoided transmission charges, provided for in clause 3.1.3(1)(b) of the **IM determination**, for **Orion** must be calculated in accordance with Schedule 5.1.

(5) The CPP application fee, provided for in clause 3.1.3(1)(d) of the **IM determination**, for **Orion** is $20,000 exclusive of GST.

(6) The CPP application assessment fee, provided for in clause 3.1.3(1)(e) of the **IM determination**, for **Orion** is the amount which the **Commission** notifies to **Orion** in the **CPP regulatory period** as being payable in respect of the **Commission's** assessment of the **CPP proposal** and the determination oof the customised price-quality path.

(7) The **verifier's** fee, provided for in clause 3.1.3(1)(f) of the **IM determination**, for **Orion** is $624,631, exclusive of GST.

(8) The **auditor's** fee, provided for in clause 3.1.3(1)(g) of the **IM determination**, for **Orion** is $385,552, exclusive of GST.

(9) The **extended reserves allowance** for **Orion** must be approved in accordance with Schedule 5.2.

(10) The **quality incentive adjustment** for **Orion** must be calculated in accordance with Schedule 4.

(11) For the purposes of **Orion's innovation and non-traditional solutions allowance**,—

(a) the process and criteria for the **Commission** to approve an **INTSA proposal** are set out at Schedule 5.3;

(b) the amount of the **innovation and non-traditional solutions allowance** is the amount calculated in accordance with Schedule 5.3A.

Schedule 2.2: Specified amounts for the incremental rolling incentive scheme

Schedule 2.1

(1) For the purposes of calculating the **forecast opex** for the **CPP regulatory period**, the **forecast operating expenditure** for each **assessment period** is as set out in Table 2.2.1 and modified by the following formula:

$$Nominal\ opex_{Yt} \div \Delta FCPI_{Yt} \times \Delta CPI_{Yt}$$

where–

Yt is the **assessment period**;

$Nominal\ opex$ is the value specified for the **assessment period** in Table 2.2.1;

$\Delta FCPI_{Yt}$ is the change in **forecast CPI** set out in (a) Table 2.2.3; and

ΔCPI_{Yt} is the change in **CPI** between the **assessment period** ending on 31 March 2027 and the current **assessment period** calculated in accordance with paragraph (3) of this Schedule.

Table 2.2.1: Forecast operating expenditure for the purposes of the incremental rolling incentive scheme

Assessment period (All amounts in $000)				
Assessment period ending 31 March 2028	**Assessment period ending 31 March 2029**	**Assessment period ending 31 March 2030**	**Assessment period ending 31 March 2031**	**Assessment period ending 31 March 2032**
109,949	114,873	118,833	121,792	121,197

(2) For the purposes of calculating the sum of the **forecast value of commissioned assets** for **Orion** for the **CPP regulatory period**, the sum of the **forecast value of commissioned assets** for each **assessment period** is as set out in Table 2.2.2 and modified by the following formula:

$$Nominal\ VCA_{Yt} \div \Delta FCPI_{Yt} \times \Delta CPI_{Yt}$$

where-

Yt is the **assessment period**;

$Nominal\ VCA$ is the value specified for the **assessment period** in Table 2.2.2;

$\Delta FCPI_{Yt}$ is the change in **forecast CPI** set out in (a) Table 2.2.3; and

ΔCPI_{Yt} is the change in **CPI** between the **assessment period** ending on 31 March 2027 and the current **assessment period** calculated in accordance with paragraph (3) of this Schedule.

Table 2.2.2: Sum of forecast value of commissioned assets for the purposes of the capex incentive amount

Assessment period (All amounts in $000)				
Assessment period ending 31 March 2028	**Assessment period ending 31 March 2029**	**Assessment period ending 31 March 2030**	**Assessment period ending 31 March 2031**	**Assessment period ending 31 March 2032**
161,264	169,409	192,689	187,286	196,304

Table 2.2.3: Forecast CPI

	Assessment period ending 31 March 2028	**Assessment period ending 31 March 2029**	**Assessment period ending 31 March 2030**	**Assessment period ending 31 March 2031**	**Assessment period ending 31 March 2032**
$\Delta FCPI_{Yt}$	1.0200	1.0404	1.0612	1.0824	1.1041

(3) For the purposes of calculating the **forecast opex** and the **forecast value of commissioned assets** for the **CPP regulatory period** under paragraphs (1) and (2) respectively, the "change in **CPI** between the **assessment period** ending on 31 March 2027 and the current **assessment period**" is calculated according to the following formula:

$$\frac{CPI_{Jun,Yt}+CPI_{Sep,Yt}+CPI_{Dec,Yt}+CPI_{Mar,Yt}}{CPI_{Jun,2027}+CPI_{Sep,2027}+CPI_{Dec,2027}+CPI_{Mar,2027}}$$

where–

$\mathrm{CPI}_{\mathrm{q,y}}$ is the **CPI** for the quarter year ending in q in the relevant year;

Yt is the **assessment period**; and

2027 is the **disclosure year** ending 31 March 2027.

(4) For the purposes of calculating the **capex incentive amount** for the **CPP regulatory period**, the **retention factor** is, for–

(a) each of the **assessment periods** ending on 31 March 2028, 31 March 2029 or 31 March 2030, 32.16%; and

(b) each of the **assessment periods** ending 31 March 2031 and 31 March 2032, as specified in the **DPP determination** that would otherwise apply to **Orion** for that **assessment period**, in accordance with clause 3.3.10(1) of the **IM determination**.

Schedule 3.1: Quality standards – planned interruptions

Clauses 9.1 and 9.2

(1) The **planned accumulated SAIDI limits** and **planned accumulated SAIFI limits** for **planned interruptions** for the **CPP regulatory period**, subject to the applicable provisions under clause 10, are as set out in Table 3.1.1.

Table 3.1.1: Planned accumulated SAIDI limits and planned accumulated SAIFI limits for planned interruptions for the CPP regulatory period

Planned accumulated SAIDI limit for the CPP regulatory period	Planned accumulated SAIFI limit for the CPP regulatory period
240.07	0.8139

Calculation of the planned SAIDI assessed values

(2) **Orion's planned SAIDI assessed value** ($SAIDI_{planned,\ assessed}$) for **planned interruptions**, **intended interruptions cancelled without notice** and **intended interruptions cancelled with notice** for an **assessment period** are calculated in accordance with the formula—

$$SAIDI_{planned,\ assessed} = SAIDI_B + \frac{SAIDI_N}{2}$$

where–

$SAIDI_B$ is the sum of the **SAIDI values**:

(a) for any **Class B interruptions** commencing within the **assessment period** that are not **Class B notified interruptions**; and

(b) in respect of any **Class B notified interruptions** commencing within the **assessment period** that have occurred partially or wholly outside of their specified **notified interruption window** or **alternate day**, the **SAIDI value** attributable to the period of minutes that falls outside of that specified **notified interruption window** or **alternate day**; and

(c) excluding any **SAIDI INTSA value** that **Orion** chooses to exclude for any **Class B interruptions** commencing within the **assessment period** that are not **Class B notified interruptions**, up to a cap for the **CPP regulatory period** calculated as follows:

(0.01 × **planned accumulated SAIDI limit**) - (**SAIDI INTSA values** that **Orion** chooses to exclude under subparagraph (d) of the definition of $SAIDI_N$)

$SAIDI_N$ is the sum of:

(a) the **SAIDI values** attributable to any minutes that fall within the specified **notified interruption window** or **alternate day** of any **Class B notified interruptions** commencing within the **assessment period**, where the **SAIDI value** is the greater of that calculated based on:

(i) the duration of minutes accumulated for each **ICP** that the **Class B notified interruption** occurred for; and

(ii) the period of the **notified interruption window** minus two hours; and

(b) the 'intended SAIDI values' of any **intended interruption cancelled without notice** in the **assessment period**, where the 'intended SAIDI value' for each of those **intended interruptions cancelled without notice** is the greater of that calculated based on:

(i) the duration of minutes accumulated for each **ICP** that the **intended interruption** occurred for, which will be nil; and

(ii) the period of the **notified interruption window** minus two hours; and

(c) the 'intended SAIDI values' of any **intended interruption cancelled with notice** in the **assessment the period**, where the 'intended SAIDI value' for each of those **intended interruptions cancelled with notice** is nil; and

(d) excluding any **SAIDI INTSA value** that **Orion** chooses to exclude for any **Class B notified interruptions** commencing within the **assessment period**, up to a cap for the **CPP regulatory period** calculated as follows:

(0.01 × **planned accumulated SAIDI limit**) - (**SAIDI INTSA values** that **Orion** chooses to exclude under subparagraph (c) of the definition of $SAIDI_B$)

Calculation of the planned SAIFI assessed values

(3) **Orion's planned SAIFI assessed value** ($SAIFI_{planned,\ assessed}$) for **planned interruptions** for an **assessment period** is the sum of the **SAIFI values** for **Class B interruptions** commencing within the **assessment period**, excluding the sum of any **SAIFI INTSA**

values that **Orion** chooses to exclude for **Class B interruptions** commencing within the **assessment period**, up to a cap on all exclusions for the **CPP regulatory period** of 1.0% of the **planned accumulated SAIFI limit** for **Class B interruptions**.

Additional notice

(4) 'Additional notice' means a notice provided by **Orion** before an **intended interruption** is due to commence that provides information on that **intended interruption**, where:

(a) the notice must specify:

(i) that the **intended interruption** is to be treated as a 'notified interruption';

(ii) the **notified interruption window** and, where applicable, the one **alternate day**;

(iii) the reason(s) for the **intended interruption**; and

(iv) information on where to access any further information or updates on the **intended interruption**, including any updates on whether the **intended interruption** will occur within the **notified interruption window** or the one **alternate day**; and

(b) **Orion** must ensure that the information provided under (a)(ii)-(iv) above is made accessible on **Orion's** website or similar online tool at the same time that the notice is provided to the persons under (d);

(c) for the purposes of (a)(iv), **Orion** is providing an update that the **intended interruption** will occur on the **alternate day**, that update, prior to the commencement of the **notified interruption window**, must:

(i) be made accessible on **Orion's** website or similar online tool;

(ii) specify any reasons for why the **intended interruption** will occur on the **alternate day**; and

(iii) be provided to the persons under (d); and

(d) the notice must be provided to:

(i) all of **Orion's consumers** directly billed by **Orion** affected by the **intended interruption** no

later than ten **working days** before that **intended interruption** is due to commence; and

(ii) for all of **Orion's consumers** not directly billed by **Orion** affected by the **intended interruption**, one of the following:

A. all **electricity retailers** affected by the **intended interruption** no later than ten **working days** before that **intended interruption** is due to commence; or

B. all of **Orion's consumers** (except for those **consumers** directly billed by **Orion**) affected by the **intended interruption** no later than four **working days** before that **intended interruption** is due to commence.

(5) The information provided in accordance with paragraph (4)(a)(ii)-(iv) of an **additional notice** may be amended in circumstances where **Orion** provides notice of that amendment to all persons subject to the original notice under paragraph (4)(d)(i)-(ii) above, where that amended notice:

(a) provides the reason(s) for the amendment; and

(b) is provided within the following applicable timeframe:

(i) at least 24-hours prior to the commencement of the **notified interruption window** or, where applicable, the **alternate day**; or

(ii) within the time limits specified in paragraph (4)(d)(i) and either (4)(d)(ii)A or (4)(d)(ii)B above if the amendment would result in a different start date than that specified in the **notified interruption window** or **alternate day**.

Schedule 3.2: Quality standards – unplanned interruptions

Clauses 9.7 and 9.8

(1) The **unplanned SAIDI limits** and **unplanned SAIFI limits**, and **SAIDI unplanned boundary values** and **SAIFI unplanned boundary values**, for **unplanned interruptions** for each **assessment period** of the **CPP regulatory period**, subject to the applicable provisions under clause 10, are as set out in Table 3.2.1.

Table 3.2.1: Unplanned SAIDI limits, unplanned SAIFI limits, SAIDI unplanned boundary values and SAIFI unplanned boundary values for the CPP regulatory period

Unplanned SAIDI limit	Unplanned SAIFI limit	SAIDI unplanned boundary value	SAIFI unplanned boundary value
68.40	0.8346	2.12	0.0239

Calculation of the unplanned SAIDI assessed values

(2) The **unplanned SAIDI assessed value** ($SAIDI_{unplanned,\ assessed}$) for an **assessment period** is the sum of the **SAIDI values** for **Class C interruptions** commencing within the **assessment period**, where, in the following order:

(a) the **SAIDI value** for each 30 minute period excludes the sum of any **SAIDI INTSA values** that **Orion** chooses to exclude for **Class C interruptions** in the **assessment period**, up to the cap on all exclusions under paragraph (b);

(b) the sum of any **SAIDI INTSA values** for **Class C interruptions** in the **assessment period** excluded under paragraph (a) must, before the replacement of the **SAIDI value** in paragraph (c) occurs, not exceed a cap on all exclusions of 1.0% of the **unplanned SAIDI limit**; and

(c) the **SAIDI value** for each 30 minute period that starts on the hour or half past the hour within a **SAIDI major event** that exceeds 1/48th of the **SAIDI unplanned boundary value** for that **assessment period** is replaced with 1/48th of the **SAIDI unplanned boundary value** for that **assessment period.**

Calculation of the unplanned SAIFI assessed values

(3) The **unplanned SAIFI assessed value** ($SAIFI_{unplanned,\ assessed}$) for an **assessment period** is the sum of the **SAIFI values** for **Class C interruptions** commencing within the **assessment period**, where, in the following order:

(a) the **SAIFI value** for each 30-minute period excludes the sum of any **SAIFI INTSA values** that **Orion** chooses to exclude for **Class C interruptions** in the **assessment period**, up to the cap on all exclusions under paragraph (b);

(b) the sum of any **SAIFI INTSA values** for **Class C interruptions** in the **assessment period** excluded under paragraph (a) must, before the replacement of the **SAIFI value** in paragraph (c) occurs, not exceed a cap on all exclusions of 1.0% of the **unplanned SAIFI limit**; and

(c) the **SAIFI value** for each 30 minute period that starts on the hour or half past the hour within a **SAIFI major event** that exceeds 1/48th of the **SAIFI unplanned boundary value** for that **assessment period** is replaced with 1/48th of the **SAIFI unplanned boundary value** for that **assessment period.**

Schedule 3.3: Quality standards – extreme event

Clauses 9.5 and 9.6

(1) The **extreme event standard limits** for **unplanned interruptions** for the **CPP regulatory period**, are:

(a) a **SAIDI value** of 120 minutes, whereby the **extreme event standard limit** will be exceeded if, during any period of 24 hours (starting on the hour or half past the hour), the **SAIDI value** of all **unplanned interruptions** that start during that 24-hour period, in aggregate, is above 120 minutes; and

(b) a total of six million **customer interruption minutes**, whereby the **extreme event standard limit** will be exceeded if, during any period of 24 hours (starting on the hour or half past the hour), the total duration of **customer interruption minutes** resulting from all **unplanned interruptions** that start during that 24-hour period, in aggregate, is more than six million **customer interruption minutes**.

(2) For the purposes of paragraph (1), **unplanned interruptions** excludes any **unplanned interruption** that is the result of **major external factors**.

Schedule 4: How to calculate the quality incentive adjustment

Schedule 2.1

(1) The **quality incentive adjustment** must be calculated by **Orion** within 5 months after the expiration of the **assessment period** in accordance with paragraph (5), and is a **recoverable cost** in the **assessment period** following that in which it was calculated.

(2) Subject to the applicable provisions under clause 10, the **SAIDI unplanned interruption target**, **SAIDI unplanned interruption collar**, and **SAIDI unplanned interruption cap** for **unplanned interruptions** during the **CPP regulatory period** are as set out in Table 4.1.

Table 4.1: SAIDI unplanned interruption collars, SAIDI unplanned interruption targets and SAIDI unplanned interruption caps for the CPP regulatory period

SAIDI unplanned interruption collar	SAIDI unplanned interruption target	SAIDI unplanned interruption cap
0	53.67	68.40

(3) The **SAIDI planned interruption target**, **SAIDI planned interruption collar**, and **SAIDI planned interruption cap** for **planned interruptions** during the **CPP regulatory period**, subject to the applicable provisions under clause 10, are as set out in Table 4.2.

Table 4.2: SAIDI planned interruption collars, SAIDI planned interruption targets and SAIDI planned interruption caps for the CPP regulatory period

SAIDI planned interruption collar	SAIDI planned interruption target	SAIDI planned interruption cap
0	27.31	48.01

(4) The **incentive rate** for the **CPP regulatory period**, subject to the applicable provisions under clause 10, is $71,720.

(5) The **quality incentive adjustment** is calculated as follows—

(a) calculate the sum of:

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

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

(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) $(\mathbf{revenue\ at\ risk} \times -1)$; 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 + **mid-point estimate of post-tax WACC**)^2

(6) For the purposes of paragraph (5),—

(a) $SAIDI_{unplanned,target}$ is the **SAIDI unplanned interruption target** in respect of **unplanned interruptions** for the **assessment period**;

(b) $SAIDI_{unplanned,assessed}$ is the **unplanned SAIDI assessed value** in respect of **unplanned interruptions** for the **assessment period**;

(c) where $SAIDI_{unplanned,assessed}$ is greater than the **SAIDI unplanned interruption cap** for the **assessment period**, $SAIDI_{unplanned,assessed}$ equals the **SAIDI unplanned interruption cap** for the **assessment period**;

(d) *IR* is the **incentive rate** in respect of the **assessment period**;

(e) $SAIDI_{planned,target}$ is the **SAIDI planned interruption target** in respect of **planned interruptions** for the **assessment period**;

(f) $SAIDI_{planned,assessed}$ is the **planned SAIDI assessed value** in respect of **planned interruptions** for the **assessment period**;

(g) where $SAIDI_{planned,assessed}$ is greater than the **SAIDI planned interruption cap** for the **assessment period**, $SAIDI_{planned,assessed}$ equals the **SAIDI planned interruption cap** for the **assessment period**; and

(h) **revenue at risk** is calculated in accordance with the following formula:

$$0.02 \times ANAR$$

where–

$ANAR$ is the **actual net allowable revenue** for the **assessment period**.

Schedule 5.1: Avoided transmission charges

Schedule 2.1

(1) For the purposes of calculating a **recoverable cost** under clause 3.1.3(1)(b) of the **IM determination**, the amount of charge described in clause 3.1.2(2)(c) of the **IM determination** that **Orion** has avoided liability to pay as a result of having purchased **system fixed assets** from **Transpower** is—

(a) for a purchase prior to 1 April 2027, for each of the five **assessment periods** immediately following the **assessment period** in which the purchase of the **system fixed assets** from **Transpower** occurs—

(i) the amount that would have been charged by **Transpower** for the use of the **system fixed assets** transferred to **Orion** as specified in a pricing schedule determined by **Transpower** for the year immediately preceding the **assessment period** in which the charge was first recovered; or

(ii) the amount determined in accordance with paragraph (1)(a)(i) of Schedule 5.1 adjusted using a method consistent with the **transmission pricing methodology**; or

(b) for a purchase made on or after 1 April 2027—

(i) in the **first assessment period** of the **CPP regulatory period** following the purchase of the **system fixed assets** from **Transpower**, the difference, as calculated by **Transpower** in accordance with the **transmission pricing methodology**, between the costs of transmission payable to **Transpower** for the first full **assessment period** following the transfer of the **system fixed assets** and the costs of transmission that would have been payable to **Transpower** for the **assessment period** in question had the transfer of **system fixed assets** not occurred; and

(ii) in each of the four following **assessment periods** after the first **assessment period** of the **CPP regulatory period** for which an amount is calculated, the amount calculated in accordance with paragraph (1)(b)(i) of Schedule 5.1, in constant nominal terms.

Schedule 5.2: Approval of extended reserves allowances

Schedule 2.1

(1) **Orion** must, no later than 70 **working days** following the end of an **assessment period**, submit an application for approval of an **extended reserves allowance** if any amounts were incurred or received in that **assessment period** in accordance with any requirements in the Electricity Industry Participation Code 2010 relating to extended reserves.

(2) The application for approval must include—

(a) all compensation payments made by **Orion** in the **assessment period** in accordance with any requirements in the Electricity Industry Participation Code 2010 relating to extended reserves;

(b) all compensation payments and revenue received by **Orion** in the **assessment period** in accordance with any requirements in the Electricity Industry Participation Code 2010 relating to extended reserves;

(c) an estimate of the compensation payments and revenue received by **Orion** in the **assessment period** in accordance with any requirements in the Electricity Industry Participation Code 2010 relating to extended reserves that should be associated with **unregulated services**, along with reasons for such treatment; and

(d) any other explanatory material or supporting information reasonably necessary to demonstrate costs incurred and amounts payable or receivable in accordance with any requirements in the Electricity Industry Participation Code 2010 relating to extended reserves.

(3) The **Commission** may request additional information, independent evidence, **director** certificates, or audit statements relating to the information provided in the application.

(4) The **Commission** may approve by notice in writing to **Orion**, subject to clause 3.1.3(6) of the **IM determination**, an allowance for costs incurred and amounts payable, or for amounts receivable, under any extended reserves regulations made under the Electricity Industry Act 2010, as determined by the **Commission**.

(5) The amount approved by the **Commission** is an 'extended reserves allowance' **recoverable cost** under clause 3.1.3(1)(j) of the **IM determination** in the **assessment period** to which the application relates.

Schedule 5.3: Approval to recover forecast costs from innovation and non-traditional solutions allowance

Schedule 2.1

Overview of this Schedule

(1) This Schedule sets out a process and criteria for **Orion** to submit to the **Commission** a proposal in writing for approval to recover from **Orion's innovation and non-traditional solutions allowance** some or all of the forecast costs of a **project** or **programme** in accordance with this Schedule, after all of the **INTSA outputs** for that **project** or **programme** have been delivered (an 'INTSA proposal').

Process for seeking Commission approval of an INTSA proposal

(2) **Orion** may at any point prior to six months before the end of the **CPP regulatory period** submit an **INTSA proposal** to the **Commission**.

(3) If **Orion** proposes to work together with 1 or more other **EDBs** or **Transpower** to carry out the **project** or **programme** in an **INTSA proposal**, each **non-exempt EDB** carrying out the **project** or **programme** that proposes to recover any of the forecast costs from its **innovation and non-traditional solutions allowance** must submit an **INTSA proposal**.

(4) An **INTSA proposal** must set out the following:

(a) the purpose of the **project** or **programme** in the **INTSA proposal**, and the steps that **Orion** intends to take to achieve that purpose if the **Commission** approves the **INTSA proposal**;

(b) the **INTSA outputs** and expected benefits of the **project** or **programme** for **consumers**;

(c) the date by which **Orion** expects all of the **INTSA outputs** for the **project** or **programme** to have been delivered;

(d) the forecast costs of the **project** or **programme** for each **disclosure year** up to the date by which **Orion** expects all of the **INTSA outputs** to have been delivered;

(e) the proportion of the forecast costs of the **project** or **programme** that **Orion** seeks to recover from **Orion's innovation and non-traditional solutions allowance** (e.g., 75% of the forecast costs of the **project** or **programme**);

(f) an estimate of any anticipated **SAIDI INTSA values** or **SAIFI INTSA values** that **Orion** expects to exclude under Schedule 3.1 or 3.2;

(g) the cause or causes of the **interruptions** for the **SAIDI INTSA values** and **SAIFI INTSA values** referred to in subparagraph (f);

(h) any steps that **Orion** has taken, or proposes to take, to reduce the likelihood or impact on **consumers** of any **interruptions** referred to in subparagraph (f);

(i) whether **Orion** intends to work together with 1 or more other **EDBs** or **Transpower** to carry out the **project** or **programme** in the **INTSA proposal** and, if so, how it intends to work together with the other **EDBs** or **Transpower**; and

(j) sufficient information to enable the **Commission** to decide under paragraph (7) whether the **project** or **programme** meets the eligibility criteria under paragraph (6).

(5) The **Commission** must make an **INTSA proposal** publicly available on its website as soon as practicable after receiving the **INTSA proposal** from **Orion**.

Eligibility criteria for a project or programme in an INTSA proposal

(6) For the purposes of the **Commission's** decision on whether to approve **Orion's INTSA proposal** under paragraph (7), the eligibility criteria for a **project** or **programme** in an **INTSA proposal** are that—

(a) the **project** or **programme** relates to the supply of **electricity distribution services**;

(b) the **project** or **programme** promotes the purpose of Part 4 of the **Act**; and

(c) one or both of the following applies:

(i) the **project** or **programme** is unlikely to otherwise result in any financial benefits to **Orion** in the five **disclosure years** after the date by which **Orion** indicates in its **INTSA proposal** that it expects all of the **INTSA outputs** to have been delivered:

(ii) the benefits of the **project** or **programme** are sufficiently uncertain that **Orion** would not carry out the **project** or **programme** if it could not recover some or all of the forecast costs of the **project** or **programme** from **Orion's innovation and non-traditional solutions allowance**.

Commission decision on an INTSA proposal

(7) The **Commission** may approve **Orion's INTSA proposal** if satisfied that the **project** or **programme** in the **INTSA proposal** will meet the eligibility criteria under paragraph (6).

(8) If the **Commission** approves the INTSA proposal and—

(a) is satisfied that the **project** or **programme** in the **INTSA proposal** meets the criterion in paragraph (6)(c)(i), **Orion** may recover from **Orion's innovation and non-traditional solutions allowance** an amount that is up to 100% of the

forecast costs of the relevant **project** or **programme**, after all of the **INTSA outputs** for that **project** or **programme** have been delivered; or

(b) is not satisfied that the **project** or **programme** in the **INTSA proposal** meets the criterion in paragraph (6)(c)(i), **Orion** may recover from **Orion's innovation and non-traditional solutions allowance** an amount that is up to 75% of the forecast costs of the relevant **project** or **programme**, after all of the **INTSA outputs** for that **project** or **programme** have been delivered.

(9) If the **Commission** approves **Orion's INTSA proposal** under paragraph (7), the sum of the forecast costs of—

(a) the **project** or **programme** that **Orion** recovers from **Orion's innovation and non-traditional solutions allowance**; and

(b) any other **projects** and **programmes** for **INTSA proposals** that **Orion** has already recovered from its **innovation and non-traditional solutions allowance**, must not exceed the limit on the Orion's innovation and non-traditional solutions allowance specified in paragraph (19).

(10) As soon as practicable after deciding whether to approve **Orion's INTSA proposal** under paragraph (7), the **Commission** must—

(a) notify **Orion** of the **Commission's** decision; and

(b) make the decision publicly available on the **Commission's** website.

Amendments to approved INTSA proposal

(11) Paragraph (12) applies if **Orion** proposes to amend one or both of the following features of an approved **INTSA proposal**:

(a) any of the INTSA outputs; and

(b) the forecast costs for the **project** or **programme**.

(12) **Orion** may at any point prior to six months before the end of the **CPP regulatory period** submit a proposed amendment to the approved **INTSA proposal** to the **Commission**.

(13) Paragraphs (4) to (10) apply in respect of a proposed amendment to an **INTSA proposal**,—

(a) as if the approved **INTSA proposal**, as modified by the proposed amendment, were an **INTSA proposal**;

(b) taking into account any matters already considered or determined in respect of the approved **INTSA proposal**; and

(c) subject to any other necessary modifications.

Closeout report

(14) Within 50 **working days** of the delivery of all of the **INTSA outputs** for the **project** or **programme** in **Orion's INTSA proposal** delivered during the **CPP regulatory period**, **Orion** must submit a closeout report to the **Commission** that outlines:

(a) whether, and if so how, the **project** or **programme** achieved the purpose set out in the **INTSA proposal** under paragraph (4)(a) and delivered the expected benefits for **consumers** under paragraph (4)(b);

(b) if the **project** or **programme** did not achieve the purpose set out in the **INTSA proposal** under paragraph (4)(a), **Orion's** view on why the **project** or **programme** did not achieve that purpose;

(c) if the **project** or **programme** did not deliver one or more of the expected benefits for **consumers** set out in the **INTSA proposal** under paragraph (4)(b), **Orion's** view on why the **project** or **programme** did not deliver the expected benefits;

(d) any **SAIDI INTSA values** and **SAIFI INTSA values** excluded under Schedule 3.1 or 3.2 in relation to the **project** or **programme**;

(e) the cause or causes of the **interruptions** for any **SAIDI INTSA values** and **SAIFI INTSA values** excluded under Schedule 3.1 or 3.2 in relation to the **project** or **programme**;

(f) any steps that **Orion** took to reduce the likelihood or impact on **consumers** of the **interruptions** under subparagraph (e); and

(g) if **Orion** worked together with 1 or more **EDBs** to carry out the **project** or **programme**, an explanation of how **Orion** worked together with the other **EDB**, **EDBs** or **Transpower** to carry out the **project** or **programme**; and

(h) any insights **Orion** has gained from submitting the **INTSA proposal**, and from the delivery of the **INTSA outputs**, that might assist **Orion**, other **EDBs** or **Transpower**, including with future **INSTA proposals**.

(15) **Orion** may request an extension of time for submitting the closeout report.

(16) A request under paragraph (15) must set out the reasons why **Orion** has requested the extension.

(17) The **Commission**, if it receives a request under paragraph (15), may decide to extend the time for **Orion** to submit the closeout report if the **Commission** considers that extending the time would promote the purpose of Part 4 of the **Act**.

(18) As soon as practicable after receiving a closeout report from **Orion** under paragraph (14), the **Commission** must make the closeout report publicly available on the **Commission's** website.

Limit on innovation and non-traditional solutions allowance

(19) Subject to paragraph (20), the limit on the **innovation and non-traditional solutions allowance** for **Orion** for the **CPP regulatory period** is $14,100,000.

(20) 50% of the amount of the limit specified in paragraph (19) may be recovered from the **innovation and non-traditional solutions allowance** only in respect of **projects** or **programmes** for which **Orion** worked together with 1 or more other **EDBs** or **Transpower**.

Confidential information

(21) Where **Orion** considers that it has a right to confidentiality in any information that it provides to the **Commission** under this Schedule and **Orion** does not waive the right, **Orion** must—

(a) include that information in an appendix; and

(b) clearly mark the information as confidential.

(22) Paragraph (21) does not prevent the **Commission** from publishing under this Schedule any information identified in accordance with that paragraph if the **Commission** considers **Orion** does not have a right to confidentiality in respect of that information.

(23) Paragraph (22) does not affect any of **Orion's** rights or remedies for breach of any right to confidentiality.

Schedule 5.3A: How to calculate the innovation and non-traditional solutions allowance recoverable cost

Schedules 2.1 and 5.3

(1) The amount of the **innovation and non-traditional solutions allowance** is the amount calculated in accordance with the following formula:

$$A + B - C$$

where–

A is the lesser of:

(a) the limit specified for **Orion** in paragraph (19) of Schedule 5.3 of the fourth **DPP determination**; and

(b) the sum of the forecast costs that would have been available to be recovered by **Orion** for each **INTSA proposal** that was approved under the **DPP determination** and for which **Orion** has delivered all of the **INTSA outputs**; and

B is the lesser of:

(a) the limit specified in paragraph (19) of Schedule 5.3; and

(b) the sum of the forecast costs that are available to be recovered by **Orion** for each **INTSA proposal** that was approved under paragraph (7) of Schedule 5.3 and for which **Orion** has delivered all of the **INTSA outputs**.

C is the sum of costs already recovered by **Orion** or another **non-exempt EDB**, from a **innovation and non-traditional solutions allowance** of **Orion** or another **non-exempt EDB**.

Schedule 5.4: Contingent Projects

Clause 7.2

Overview of this Schedule

(1) In accordance with clause 5.6.10 of the **IM determination**, this Schedule specifies the **contingent project** and associated **trigger event**.

Contingent projects

(2) **Lower Selwyn growth stage 1** is a **contingent project**.

(3) The **trigger event** for **Lower Selwyn growth stage 1** is met if–

(a) one or more of the following occur:

(i) **Orion** forecasts demand at Killinchy Zone Substation to exceed 10 **MVA** by 31 March 2032;

(ii) **Orion** forecasts aggregate demand for Killinchy, Hills Road and Brookside Zone Substations to exceed 30 **MVA** by 31 March 2032; or

(iii) **Orion** forecasts aggregate non-interruptible demand for Killinchy, Hills Road and Brookside Zone Substations to exceed 20 **MVA** by 31 March 2032; and

(b) the forecasts used to establish the demand are demonstrably reasonable.

Schedule 6: Form of director's certificate for annual price-setting compliance statement

Clause 11.2(c)

I/We, [*insert full name/s*], being director/s of Orion New Zealand Limited certify that, having made all reasonable enquiry, to the best of my/our knowledge and belief, the attached annual price-setting compliance statement of Orion New Zealand Limited, and related information, prepared for the purposes of the *Orion New Zealand Limited Electricity Distribution Customised Price-Quality Path Determination 2027* has been prepared in accordance with all the relevant requirements, and all forecasts used in the calculations for forecast revenue from prices and forecast allowable revenue are reasonable*[*except in the following respects*].

*[*insert description of non-compliance*]

[*Signatures of director(s)*]

[*Date*]

*Delete if inapplicable.

Note: Section 103(2) of the Commerce Act 1986 provides that no person shall attempt to deceive or knowingly mislead the Commission in relation to any matter before it. It is an offence to contravene section 103(2) and any person who does so is liable on summary conviction to a fine not exceeding $100,000 in the case of an individual or $300,000 in the case of a body corporate.

Schedule 7: Form of director's certificate for annual compliance statement

Clause 11.5(d)

I/We, [*insert full name/s*], being director/s of Orion New Zealand Limited certify that, having made all reasonable enquiry, to the best of my/our knowledge and belief, the attached annual compliance statement of Orion New Zealand Limited, and related information, prepared for the purposes of the *Orion New Zealand Limited Electricity Distribution Customised Price-Quality Path Determination 2027* has been prepared in accordance with all the relevant requirements*[*except in the following respects*].

*[insert description of non-compliance]

[*Signatures of director(s)*]

[*Date*]

*Delete if inapplicable.

Note: Section 103(2) of the Commerce Act 1986 provides that no person shall attempt to deceive or knowingly mislead the Commission in relation to any matter before it. It is an offence to contravene section 103(2) and any person who does so is liable on summary conviction to a fine not exceeding $100,000 in the case of an individual or $300,000 in the case of a body corporate.

Schedule 8: Auditor's assurance report on annual compliance statement

Clause 11.5(e)

(1) For the purpose of clause 11.5(e), **Orion** must procure an assurance report by an **auditor** in respect of the **annual compliance statement** that is prepared in accordance with SAE 3100 and ISAE (NZ) 3000, signed by the **auditor** (either in their own name or that of their firm), and that—

(a) is addressed to the **directors** of **Orion** as the intended users of the assurance report;

(b) states—

(i) that it has been prepared in accordance with SAE 3100 and ISAE (NZ) 3000;

(ii) the work done by the **auditor**;

(iii) the scope and limitations of the assurance engagement;

(iv) the existence of any relationship (other than that of auditor) which the **auditor** has with, or any interests which the **auditor** has in, **Orion** or any of its subsidiaries;

(v) whether the **auditor** has obtained sufficient recorded evidence and explanations that they required and, if not, the information and explanations not obtained; and

(vi) whether, in the **auditor's** opinion, as far as appears from an examination, the information used in the preparation of the **annual compliance statement** has been properly extracted from **Orion's** accounting and other records, sourced from its financial and non-financial systems; and

(c) states whether (and, if not, the respects in which it has not), in the **auditor's** opinion, **Orion** has complied, in all material respects, with the *Orion New Zealand Limited Electricity Distribution Customised Price-Quality Path Determination 2027* in preparing the **annual compliance statement**.

Schedule 9: Form of director's certificate for planned interruptions reporting

Clause 12.2(f)

I/We, [*insert full name/s*], being director/s of Orion New Zealand Limited certify that, having made all reasonable enquiry, to the best of my/our knowledge and belief, the attached planned interruptions reporting of Orion New Zealand Limited, and related information, prepared for the purposes of the *Orion New Zealand Limited Electricity Distribution Customised Price-Quality Path Determination 2027* has been prepared in accordance with all the relevant requirements*[*except in the following respects*].

*[insert description of non-compliance]

[*Signatures of director(s)*]

[*Date*]

*Delete if inapplicable.

Note: Section 103(2) of the Commerce Act 1986 provides that no person shall attempt to deceive or knowingly mislead the Commission in relation to any matter before it. It is an offence to contravene section 103(2) and any person who does so is liable on summary conviction to a fine not exceeding $100,000 in the case of an individual or $300,000 in the case of a body corporate.

Schedule 10: Form of director's certificate for unplanned interruptions reporting

Clause 12.4(g)

I/We, [*insert full name/s*], being director/s of Orion New Zealand Limited certify that, having made all reasonable enquiry, to the best of my/our knowledge and belief, the attached unplanned interruptions reporting of Orion New Zealand Limited, and related information, prepared for the purposes of the *Orion New Zealand Limited Electricity Distribution Customised Price-Quality Path Determination 2027* has been prepared in accordance with all the relevant requirements*[*except in the following respects*].

*[insert description of non-compliance]

[*Signatures of director(s)*]

[*Date*]

*Delete if inapplicable.

Note: Section 103(2) of the Commerce Act 1986 provides that no person shall attempt to deceive or knowingly mislead the Commission in relation to any matter before it. It is an offence to contravene section 103(2) and any person who does so is liable on summary conviction to a fine not exceeding $100,000 in the case of an individual or $300,000 in the case of a body corporate.

Schedule 11: Form of director's certificate for extreme event standard reporting

Clause 12.6(g)

I/We, [*insert full name/s*], being director/s of Orion New Zealand Limited certify that, having made all reasonable enquiry, to the best of my/our knowledge and belief, the attached extreme event standard reporting of Orion New Zealand Limited, and related information, prepared for the purposes of the *Orion New Zealand Limited Electricity Distribution Customised Price-Quality Path Determination 2027* has been prepared in accordance with all the relevant requirements*[*except in the following respects*].

*[insert description of non-compliance]

[*Signatures of director(s)*]

[*Date*]

*Delete if inapplicable.

Note: Section 103(2) of the Commerce Act 1986 provides that no person shall attempt to deceive or knowingly mislead the Commission in relation to any matter before it. It is an offence to contravene section 103(2) and any person who does so is liable on summary conviction to a fine not exceeding $100,000 in the case of an individual or $300,000 in the case of a body corporate.

Schedule 12: Draft IM Variation deed

[Draft] Deed varying input methodologies that will apply to the customised price-quality path determination for Orion New Zealand Limited

This deed is given by Orion New Zealand Limited (Orion) and the Commerce Commission (the Commission) with regard to the variation of input methodologies in accordance with section 53V(2)(c) of the Commerce Act 1986 (the Act).

Background

On 9 June 2026, Orion submitted a proposal for a customised price-quality path (CPP) to the Commission. The Commission evaluates Orion's proposal for the purpose of making a CPP determination, as required by sections 53T and 53V of the Act.

In accordance with section 52S(b) of the Act, the Commission must apply all relevant input methodologies in determining the CPP. The *Electricity Distribution Services Input Methodologies Determination 2012* [2012] NZCC 26 (the IM determination) currently applies to the regulation of the electricity lines business of Orion under Part 4 of the Act.

Orion has agreed to the Commission varying, and the Commission has agreed to vary, the IM determination in accordance with the clauses of this deed, under section 53V(2)(c) of the Act, as the IM determination applies to the Commission's determination of a CPP for Orion under section 52P of the Act.

Deed

1. By this deed, Orion agrees to the variation of, and the Commission varies, the IM determination as it applies to the Commission's CPP determination for Orion, dated [date to add], under section 52P of the Act, in accordance with the following clauses.

2. Clause 1.1.4(2) of the **IM determination** is varied by inserting the following definitions into the appropriate alphabetical order:

capacity event	has the meaning specified in clause 5.6.11A;
2026 dollars	means the dollar value, accounting for inflation, as at 1 October 2025;
investment benefit element	in relation to a **reliability risk event**, has the meaning specified in clause 5.6.11B(2)(b);
investment cost	in relation to a **reliability risk event**, means the expenditure in the **primary asset categories** forecast to

	be required to mitigate or respond to a deterioration of the **network**;
Lower Selwyn growth stage 1 project	means the first stage of a **project** undertaken for the installation of a second power transformer and associated switchgear at Killinchy;
positive expected net benefit	in relation to a **reliability risk event**, has the meaning specified in clause 5.6.11B(2)(a);
primary asset categories	in relation to a **reliability risk event**, means **asset replacement and renewal capex** in the following categories: (a) ground mounted switchgear; (b) switchgear enclosures; (c) end of life poles; (d) telecommunications poles; (e) crossarms; and (f) underground distribution cables.
reliability risk event	has the meaning specified in clause 5.6.11B;

3. Clause 3.1.3(1)(l) of the **IM determination** is replaced with the following text:

   (l) a fee payable to an **engineer** for the purpose of meeting a requirement of clause 5.6.11A(e), subject to the requirement specified in subclause (7);

4. Clause 3.1.3(2) of the **IM determination** is replaced with the following text:

   (2) For the purposes of subclauses (1)(b) and (1)(j), in respect of a particular **EDB**, the **Commission's** approval for the amount of cost must be obtained in accordance with any process relating to the type of cost in question specified in the **CPP determination**.

5. Clauses 5.6.1 and 5.6.2 of the **IM determination** are replaced with the following text:

   5.6.1 <u>When a CPP may be amended</u>

   (1) The **Commission** may amend an **EDB's CPP** if the **Commission** is satisfied that-

(a) a **reopener event** has occurred;

(b) the **CPP** should be amended; and

(c) the amendment to the **CPP** is consistent with clause 5.6.13.

(2) A 'reopener event' is an event, or a series of related events, of a type specified in subclause (3) that occurs in the period that:

(a) begins on the date that is 18 months before the start of the **CPP regulatory period**; and

(b) ends at the end of the **CPP regulatory period**.

(2A) The **Commission** may treat an event as occurring within the period in subclause (2) if:

(a) that event is a **reopener event (responsive)** that occurred earlier than 18 months before the start of the **CPP regulatory period**; and

(b) the **Commission** considers exceptional circumstances existed such that an application to reopen the preceding **CPP regulatory period** was not reasonably possible before the end of that period.

(3) For the purpose of subclause (2), the types of events are:

(a) the following, each being a type of **reopener event (responsive)**:

(i) a **catastrophic event**;

(ii) a **change event**;

(iii) an **error event**;

(iv) the discovery of **false or misleading information**; and

(v) a **major transaction event**;

(b) the following, each being a type of **reopener event (prospective)**:

(i) a **trigger event** occurs in respect of a **contingent project**;

(ii) an **unforeseen project**;

(iii) a **capacity event**; and

(iv) a **reliability risk event**;

(c) a **WACC change event**.

5.6.2 Process for reconsideration of the CPP

(1) A **reopener event** can be nominated in writing:

(a) in the case of a **reopener event (responsive)** or a **WACC change event**, by the **Commission**; or

(b) in any case other than a **WACC change event**, by an **EDB**, by notifying the **Commission**.

(2) The **Commission** or an **EDB** may nominate more than one **reopener event** at the same time.

(3) An **EDB** that nominates a **reopener event** must provide in writing, at the time of nomination, sufficient information to enable the **Commission** to assess:

(a) whether a **reopener event** has occurred;

(b) whether and how the **CPP** should be amended; and

(c) whether any proposed amendment to the **CPP** is consistent with clause 5.6.13 and the **Act**.

(4) The **Commission** must publish a notice on its website of each of the following matters as soon as practicable after they occur:

(a) a **reopener event** is nominated; and

(b) the **Commission** decides whether or not-

(i) it is satisfied that a **reopener event** has occurred;

(ii) to reconsider the **CPP**; and

(iii) to amend the **CPP**.

(5) Despite subclauses (1) and (2),

(a) in the case of a **capacity event**:

(i) a nomination may relate to one or more **projects** or **programmes**;

(ii) an **EDB** may not make more than one nomination during each **disclosure year** of the **CPP regulatory period**; and

(iii) an **EDB** may not make a nomination during the fifth **disclosure year** of the **CPP regulatory period**.

(b) in the case of a **reliability risk event**, an **EDB**:

(i) may not nominate more than two **reopener events** during the **CPP regulatory period**; and

(ii) may only nominate a **reopener event**,–

(A) for **asset replacement and renewal capex** forecast to be incurred in one or more of the

disclosure years ending on 31 March 2029 or 31 March 2030, by 1 September 2027; and

(B) for **asset replacement and renewal capex** forecast to be incurred in one or both of the **disclosure years** ending on 31 March 2031 or 31 March 2032, by 1 September 2029.

6. Clause 5.6.10 is replaced with the following text:

5.6.10 Contingent project

(1) A 'contingent project' is a **project** or **programme** that has been listed as a 'contingent project' with an associated **trigger event** in a **CPP determination**.

(2) A **project** or **programme** may be listed as a **contingent project** only if-

(a) the **Commission** considers that it is probable that a condition or event (a 'trigger event') will occur during the **CPP regulatory period** and that, if the **trigger event** occurs,-

(i) the **EDB** will be reasonably required to undertake the **project** or **programme** during the **CPP regulatory period**; and

(ii) the assets associated with the **project** or **programme** are likely to be **commissioned** during the **CPP regulatory period**;

(b) the commencement date for the **project** or **programme** cannot be forecast with an appropriate degree of specificity by comparison with other proposed **projects** or **programmes**;

(ba) in the case of the **Lower Selwyn growth stage 1 project**, the expenditure required for the project would be likely, when forecast with reasonable certainty, to meet the **expenditure objective**; and

(c) in the case of any other project or programme, the expenditure required for the **project** or **programme** would be likely,-

(i) to exceed 10% of the value of the **EDB's** annual revenue in the most recently completed **disclosure year**; and

(ii) when forecast with reasonable certainty, to meet the **expenditure objective**.

(3) For the purpose of subclause (2)(a), the **trigger event** must be-

(a) not within the control of the **EDB**; and

(b) capable of being-

(i) specifically defined; and

(ii) objectively verified as having occurred.

(4) Without limiting subclause (2), the **Commission** may-

(a) decline to list a **project** or **programme** as a **contingent project** even where the requirements of subclause (2) are satisfied; or

(b) specify a different **trigger event**, or a different description for a **trigger event**, for a **contingent project** than that proposed by the **EDB**.

7. After clause 5.6.11 of the **IM determination**, new clause 5.6.11A is inserted as follows:

5.6.11A Capacity event

'Capacity event' means an event for which–

(a) an **EDB** demonstrates in the **CPP regulatory period** that its **network** requires additional capacity to provide **electricity distribution services**;

(b) the additional capacity has a **primary driver** of meeting established or reasonably anticipated demand for —

(i) **connection capex**;

(ii) **system growth capex**;

(iii) **asset relocation capex**; or

(iv) a combination of **connection capex** and **system growth capex**;

(c) when the **CPP** was determined, the requirement for the additional capacity–

(i) was not sufficiently certain; or

(ii) could not reasonably have been foreseen by a prudent **EDB**; and

(d) for each **project** or **programme** related to a nomination for a **capacity event** under clause 5.6.2(1), providing the additional capacity–

(i) would require an **EDB** to incur additional costs during the **CPP regulatory period** of at least the lesser of $2.5 million

or 1% of the **EDB's forecast net allowable revenue** for the **CPP regulatory period**; and

(ii) meets the **expenditure objective**.

(e) the **EDB** has provided an **engineer's** report on the extent to which the criteria in subclauses (a), (b) and (d) are met for each **project** or **programme**.

8. After clause 5.6.11A of the **IM determination**, new clause 5.6.11B is inserted as follows:

5.6.11B Reliability risk event

(1) A 'reliability risk event' occurs if:

(a) a deterioration of the **EDB's network** has occurred or is likely to occur;

(b) during the **CPP regulatory period**, the deterioration has, or is likely to have, one or more of the following effects:

(i) a materially adverse effect on the **EDB's** ability to mitigate or respond to high-impact, low-probability events that may have a significant impact on the **EDB's** ability to maintain current security or quality of **supply** standards;

(ii) an effect that compromises the **safety** of any **person**, due to the deterioration of any equipment, or the **network**; or

(iii) a materially adverse effect on the **EDB's** ability to comply with its legislative requirements (including its ability to meet its quality standards under the **CPP** or **DPP**);

(c) taking steps to remedy the deterioration:

(i) requires the **EDB** to incur expenditure in one or more of the **primary asset categories**; and

(ii) cannot be delayed until a future **regulatory period** without exacerbating one or more of the effects described in paragraph (b);

(d) the **investment cost** to mitigate or remedy the deterioration:

(i) excludes any **capital contributions** to be received by the **EDB**;

(ii) has not been provided for in the **CPP**; and

(iii) has not already been the subject of a reconsideration of the **CPP** by the **Commission**; and

(e) one or more of the **primary asset categories** in the proposed **investment cost** provides a **positive expected net benefit** in a cost-benefit analysis and delaying the **investment cost** beyond the **CPP regulatory period** would not increase the expected net benefit for that **primary asset category**.

(2) For the purposes of subclause (1):

(a) a **primary asset category** provides a **positive expected net benefit** if the sum of each **investment benefit element** for the category exceeds the **investment cost** for the category; and

(b) **investment benefit element** means the positive or negative value estimated for one or more of the effects set out in subclause (1)(b) had the **investment cost** occurred.

(3) The information that the **EDB** must provide under clause 5.6.2(3) in relation to a **reliability risk event** includes:

(a) an explanation of the deterioration and **investment cost**;

(b) a summary of the expected **investment benefit element** and the **investment cost** broken down for each **primary asset category** expressed in **2026 dollars**;

(c) sufficient information to show how the **EDB** considers subclause (1)(c)(ii) is met;

(d) a financial model that quantifies the **investment benefit elements** and the **investment cost** for each asset category, expressed in **2026 dollars**;

(e) information explaining any key assumptions and calculations, including the basis for quantification of each **investment benefit element** in **2026 dollars**;

(f) any relevant supporting information; and

(g) in respect of all information provided in accordance with this clause and clause 5.6.2(3) in relation to a **reliability risk event**, a certificate signed by a **director** or Group Chief Executive of the **EDB**, in the following terms:

"I, [*insert name*], [*insert role description*] of [*insert name of **EDB***] certify that, having made all reasonable enquiry, in respect of the attached information (being information required under clause 5.6.2(3) of the **IM determination** for the purposes of the **EDB's** nomination for a **reliability risk event** under clause 5.6.2) the attached information is accurate and

complete."

9. Clause 5.6.13 of the **IM determination** is replaced with the following text:

5.6.13 Amending CPP after reconsideration

(1) If the **Commission** decides that the **CPP** should be amended, the **Commission** may, in respect of any type of **reopener event**, amend 1 or more of the following matters specified in the **CPP determination**:

(a) price path;

(b) quality standards; and

(c) quality incentive measures.

(2) The **Commission** must not amend-

(a) the **CPP** more than is reasonably necessary to mitigate the effect of the **reopener event** on the **CPP**; and

(b) the price path more than is reasonably necessary to take account of the change resulting from the **reopener event**, less any costs already approved in a **reopener event allowance** for the same **reopener event**.

(3) In the case of a **reopener event (prospective)**, the **Commission** may amend the price path to account for **opex** incurred or assets **commissioned** only in respect of **opex** incurred or assets **commissioned** after the date on which the **reopener event** was nominated under clause 5.6.2.

(4) In the case of a **reopener event (responsive)**, the **Commission** may amend the price path to account for **opex** incurred or assets **commissioned** only in respect of **opex** incurred or assets **commissioned** after the date of the **reopener event**.

(5) For the purposes of subclause (3), the date on which the **reopener event** was nominated under clause 5.6.2 means the first date on which an **EDB** provides the information referenced in clause 5.6.2(3) to the **Commission**. For the avoidance of doubt, the fact that the **Commission** seeks further information from an **EDB** as part of its assessment will not change that date.

(6) In determining the extent of any amendment to the price path, the **Commission** must take into account the **expenditure objective**.

(7) In the case of a **capacity event**, **contingent project**, **reliability risk event** or an **unforeseen project**, the **Commission** will not amend the price path for any **disclosure year** before the **disclosure year** in which assets constructed as part of the **capacity event**, **contingent project**, **reliability risk event** or the **unforeseen project** are forecast to be **commissioned**.

(8) In the case of a **WACC change event**, the **Commission** will for the remaining complete **disclosure years** of the **CPP regulatory period** after the **WACC change event**:

(a) determine the series of **maximum allowable revenue after tax** in accordance with clause 5.3.4(7) and determine any consequential changes to the **forecast net allowable revenue** for those years; and

(b) for the purpose of paragraph (a), use-

(i) the **building blocks allowable revenue before tax** calculated in accordance with clause 5.3.2(1);

(ii) the revised **WACC** in clause 5.3.22(2), including where the **WACC** is used for present value calculations, and for timing factors in clause 5.3.2(4);

(iii) the **forecast CPI for DPP revaluation** for the new **DPP regulatory period** referred to in clause 5.6.6, to calculate a revised **revaluation rate** in accordance with the method in clause 5.3.10(4);

(iv) the **cost of debt** for the new **DPP regulatory period** referred to in clause 5.6.6, to calculate a revised notional deductible interest as specified in clause 5.3.16(2);

(v) subject to subparagraphs (ii) to (iv), the same input values as applied by the **Commission** in initially determining the **CPP** for all other input values in the calculation of **building blocks allowable revenue before tax**; and

(vi) a revised forecast regulatory taxable income to apply the changes in **building blocks allowable revenue before tax** resulting from subparagraphs (i) to (iii) in a revised forecast regulatory tax allowance; and

(c) for the purpose of calculating the time value of money adjustment in the **wash-up account balance** under clause 3.1.4(1)(b) for those years, apply the mid-point estimate of **WACC** determined for the new **DPP regulatory period** under clause 4.4.1(2).

(9) In the case of the **Lower Selwyn growth stage 1 project**, the Commission may not amend the price path in excess of the maximum additional expenditure amounts specified in paragraphs 1.1.1(1)(a) and 1.1.1(1)(b):

(a) **capital expenditure** of $3,600,000; and

(b) **operating expenditure** of $500,000.

(10) In the case of a **reliability risk event**, the **Commission** may not–

(a) amend the quality standards or quality incentive measures;

(b) amend the price path for a **primary asset category**, unless that category provides a **positive expected net benefit**; or

(c) amend the price path in excess of the maximum additional **capex** for **reliability risk events** specified in Schedule H.

10. The following schedule is inserted after Schedule G of the **IM determination**:

Schedule H: Maximum additional capex for reliability risk events

Overview of this Schedule

Table H.1 of this Schedule specifies the maximum additional **capex** adjustment that the Commission may apply when amending the price path under clause 5.6.13 of the **IM determination**.

Table H.1: Maximum additional amounts of asset replacement and renewal capex

(All amounts in $m, 2026 dollars)

Primary asset category	Assessment period ending 31 March 2029	Assessment period ending 31 March 2030	Assessment period ending 31 March 2031	Assessment period ending 31 March 2032
Ground mounted switchgear	3.05	5.05	4.88	3.64
Switchgear enclosures	3.61	6.29	6.31	4.88
End of life poles	3.70	5.20	4.79	3.56
Telecommunications poles	1.32	2.15	2.21	1.65
Crossarms	1.93	3.05	2.83	2.08
Underground distribution cables	2.99	4.73	4.47	3.43
Total	**16.60**	**26.47**	**25.49**	**19.24**

Executed as a Deed on ____ day of _____, 2027.

by **Orion New Zealand Limited**

Signature of representative authorised to execute a deed	Signature of representative authorised to execute a deed
Name of authorised representative	Name of authorised representative
Date	Date

by the **Commerce Commission**

Signature of authorised representative	Signature of authorised representative
Name of authorised representative	Name of authorised representative
Date	Date

Explanatory note

(1) The purpose of the *Orion New Zealand Limited Electricity Distribution Customised Price-Quality Path Determination 2027* ("the Determination") is to set default price-quality paths for Orion New Zealand Limited ("Orion") for the five years beginning 1 April 2027 and ending 31 March 2032, under Part 4 of the Commerce Act 1986 ("the Act").

(2) Under section 53N of the Act, Orion is required to provide to the Commerce Commission ("the Commission") separate compliance statements relating to price setting, the wash-up accrual amount calculation, and its performance against quality standards. Orion must state whether or not it has complied with the customised price-quality path set out in the Determination, provide its wash-up accrual amount calculation, and supporting evidence. The two compliance statements must both be accompanied by a director's certificate. The compliance statement for the wash-up accrual amount calculation and quality standards must also be accompanied by an auditor's report. Orion must publish its compliance statements on its website at the same time as submitting them to the Commission. These additional requirements are included within the Determination because they give effect to an operational feature of the price-quality path.

(3) A reasons paper providing detailed background to, and analysis of, the Determination can be found at—

https://www.comcom.govt.nz/regulated-industries/electricity-lines/projects/orions-cpp-2027/

(4) Copies of this Determination are available for inspection free of charge at the Commission (during ordinary office hours), on the Commission's website at the above link, or for purchase at a reasonable price at the Commission.

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

This is secondary legislation issued under the authority of the Legislation Act 2019.	
Title	*[Draft] Orion New Zealand Limited Electricity Distribution Customised Price-Quality Path Determination 2027*
Principal or amendment	Principal
Consolidated version	Yes
Empowering Act and provisions	Commerce Act 1986 Section 52P
Replacement empowering Act and provisions	Not applicable
Maker name	Commerce Commission
Administering agency	Commerce Commission
Date made	[to add] 2027
Publication date	[to add] 2027
Notification date	[to add] 2027
Commencement date	[to add] 2027
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. Refer to Determination History section, above.

Consistency Accountability Statement: [Draft] Orion New Zealand Limited Electricity Distribution Services Customised Price-Quality Path Determination 2027

Agency Responsible	Commerce Commission
Portfolio	Commerce and Consumer Affairs
Date finalised	[date to add]
Identification number	[to add]

Statement of Review

I confirm that the Commerce Commission has assessed the above legislation, and the process for developing it, for consistency with the principles of responsible regulation as set out in section 9 of the Regulatory Standards Act 2025. This assessment identified no inconsistencies with the principles of responsible regulation.

Suzanne Stew
Chief Executive Officer
Commerce Commission