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COMMERCE COMMISSION NEW ZEALAND
Te Komihana Tauhokohoko

Reconsideration of DPP4 default price-quality path for Wellington Electricity – Moa Point and Eastern Cable unforeseeable large project

Draft decision reasons paper

17 August 2026

Overview of Wellington Electricity's application and our draft decision

1. This paper sets out our draft decision[1] on Wellington Electricity's application to reopen and amend its 2025-2030 default price-quality path (DPP4 price path) for its Moa Point and Eastern Cable project (the Moa Point Project).[2]

2. Wellington Electricity is the electricity distribution business (EDB) responsible for managing the local lines network that delivers electricity to approximately 176,000 homes and businesses in the Wellington region.[3]

3. Wellington Electricity applied to us to reopen its price path to allow it to recover additional revenue from its consumers. It requires the additional revenue to cover $14.140 million in costs to upgrade the connection to a new Sludge Minimisation Facility at Moa Point.

4. Our draft decision is to approve Wellington Electricity's reopener application in full - to reopen and amend its DPP4 price path to allow it to recover an additional $5.071 million from consumers across the remainder of DPP4.[4]

5. The main body of this paper sets out the detail of Wellington Electricity's application and our draft decision. Attachments A to D contain the regulatory framework and assessments underpinning the draft decision. The draft amendment determination, financial model and Wellington Electricity's response to our Request for Information (RFI) are published alongside this paper.[5]

6. We are seeking views on our draft decision by 5pm Monday 31 August 2026. Please see the '*Submissions on this paper*' section for details on how to submit your views.

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[1] Under section 52P of the Commerce Act 1986 (the Act)

[2] See Wellington Electricity, DPP4 reopener application — Moa Point and Eastern Cable Project, (March 2026) and supporting documents available at Commerce Commission DPP4 and DPP3 Reopeners webpage (under 'Active DPP4 Reopeners'- 'Wellington Electricity unforeseeable large project reopener 2026')

[3] Wellington Electricity website

[4] See Table 1 in this paper for a summary of our draft decisions.

[5] These documents are available at Commerce Commission DPP4 and DPP3 Reopeners webpage (under 'Active DPP4 Reopeners'- 'Wellington Electricity unforeseeable large project reopener 2025'- 'Draft decision')

Context for Wellington Electricity's reopener application – Moa Point

7. The Moa Point Project is driven by a request from Wellington City Council (WCC) to provide a network connection for its new Sludge Minimisation Facility located at Moa Point. WCC submitted a letter of support alongside Wellington Electricity's application, outlining the need for the network connection upgrade.[6] To supply the new facility, the connection to the existing treatment plant at Moa Point needs to be upgraded to provide the required capacity for the connection while maintaining security of supply.

8. The Moa Point Project has already proceeded due to a time constraint, as the resource consent for the existing Moa Point sludge management solution was expiring. WCC needed to have the connection ready to commission the new facility by June 2026.

Wellington Electricity's Moa Point reopener application

9. The input methodologies (IMs) allow for EDBs to apply to us for additional revenues during the default price-quality path (DPP) regulatory period for unforeseeable large projects with a resilience capital expenditure (capex) cost driver. This is called an 'unforeseeable large project reopener'.[7]

10. Wellington Electricity applied to the Commission on 9 March 2026 to reconsider and amend its DPP4 price path for the Moa Point Project, which it considers meets the criteria for a 'unforeseeable large project' (connection capex and system growth expenditure) reopener event. [8]

11. Wellington Electricity has applied for $14.14 million of capex (equivalent to approximately 3.3% of its DPP4 capex allowance). [9] Wellington Electricity estimates the reopener would increase the average residential monthly bills by 10 to 20 cents ($2.40 per annum). Wellington Electricity did not request its quality standards and incentives to be amended.

12. The scope of the Moa Point Project includes two interconnected projects:

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[6] Wellington City Council, Letter of Support regarding Wellington Electricity's Moa Point Project, (24 March 2026)

[7] Commerce Commission, Electricity Distribution Services Input Methodologies Determination 2012 consolidated as of 23 June 2026, (23 June 2026), clause 4.5.9.

[8] Wellington Electricity notified the Commission in writing in accordance with clause 4.5.2 of the EDB IMs. We published a notice on our website on 24 March 2026 that a reopener event had been nominated.

[9] Wellington Electricity's capex allowance for DPP4 is $425.7 million. See Table 2.1 DPP4 capex allowances (nominal $ million) https://www.comcom.govt.nz/assets/pdf_file/0022/363280/Default-price-quality-paths-for-electricity-distribution-businesses-from-1-April-2025-Final-decision-Reasons-paper-20-November-2024.pdf

12.1 Upgrading the switchroom at Moa Point for the Sludge Minimisation Facility. This involves establishing a new 11kV switchroom (S5099) at Moa Point with transformer capacity to supply the Sludge Minimisation Facility; and

12.2 Enhancing the supply capacity from Ira Street to Moa Point (Eastern Cable). This involves installing a new 11kV cable from the Ira Street Zone Substation to Moa Point to provide the required capacity and initial supply security.

13. WCC's contributions towards the cost of the project include:[10]

13.1 An up-front capital contribution of $1.3 million; and

13.2 A direct tariff agreement to cover $7.2 million of the investment over time.

Our draft decision is to reopen and amend Wellington Electricity's DPP4 price path, accepting the full cost applied for

14. Our draft decision is:

14.1 that Moa Point qualifies as an unforeseeable large project (connection capex and system growth expenditure) reopener;

14.2 to accept all $14.14 million as the value of commissioned assets (VCA) for the Moa Point Project;

14.3 to reopen Wellington Electricity's DPP4 price path, and to amend the price path by $5.071 million for DY28-30; and

14.4 that Wellington Electricity will be able to recover the additional revenue in prices from DY28 onwards.

15. We have made this draft decision because we are satisfied that:

15.1 The Moa Point Project meets the requirements of an unforeseeable large project reopener as set out in the EDB IMs; and

15.2 reopening and amending the price path in these circumstances is in the long-term interest of consumers and would promote the s 52A purpose of Part 4 of the Commerce Act 1986.

16. We also consider that allowing Wellington Electricity to recover costs for the Moa Point Project promotes the s 52A(1)(a) and (b) limbs of the Part 4 purpose of the Act.[11]

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[10] Wellington Electricity, DPP4 reopener application — Moa Point and Eastern Cable Project, (March 2026)

[11] Commerce Act 1986, sections 52A(1)(a) and (b)

17. In addition, we consider the project is prudent and efficient. Our assessment of prudency and efficiency is in Attachment B (Table B1) and Attachment D (Table D1).

Table 1. Summary of Wellington Electricity's application and our draft decision

Reopener type	**DPP4 Unforeseeable large project (resilience capex) reopener**
Application link	Wellington Electricity unforeseeable large project reopener application (Moa Point)
Unforeseeable large project (resilience capex) reopener	The Moa Point Project meets the applicable criteria to qualify as an unforeseeable large project reopener (connection capex and system growth expenditure).[12]
Materiality threshold	The materiality threshold has been met. Moa Point's relevant expenditure (forecast VCA) is $14.140 million, which exceeds the $2.5 million materiality threshold.[13] The materiality threshold has been assessed on the basis of costs presented in the application.[14]
Draft outcome	Reopening Wellington Electricity's DPP4 price path and amending it by $5.071 million across DY28 to DY30, recoverable from DY28 onwards.
Estimated consumer bill impact	Wellington Electricity has estimated the household consumer bill impact from this reopener will be an increase of 10 to 20 cents to a monthly bill.
Specific consultation questions	We have not included specific consultation questions. We welcome views on all aspects of the draft decision.

Our assessment of Wellington Electricity's application

18. We have assessed Wellington Electricity's application to amend its DPP4 price path, and made our draft decision, in accordance with the Electricity Distribution Services Input Methodologies Determination (EDB IMs) currently in effect for the DPP4 regulatory period.[15]

19. To enable the assessment of the application, we needed to ask Wellington Electricity for additional information on:

    19.1 The forecast commissioning dates of assets;

    19.2 Why the project was not included in the 2024 AMP;

    19.3 Evidence of review and prioritisation of expenditure;

    19.4 Potential impact of the recent failure of the existing Moa Point treatment facility (4th February 2026);[16]

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[12] Commerce Commission, Electricity Distribution Services Input Methodologies Determination 2012 consolidated as of 23 June 2026, (23 June 2026), clause 4.5.9.

[13] Ibid, clause 4.5.9(1)(i) and (3)

[14] In exercising our discretion to reconsider the price path, we reserve the right to reject applications where our scrutiny of the accepted costs demonstrates that an objective assessment of the cost presented would not have met the materiality threshold.

[15] Commerce Commission, Electricity Distribution Services Input Methodologies Determination 2012 consolidated as of 23 June 2026, (23 June 2026).

[16] Information about the failure at Moa Point

19.5 The calculation of the capital contribution and direct tariffs;

19.6 The benefits of the Eastern cable for other consumers, and whether there had been engagement with those consumers;

19.7 The change in requested capacity and its impact on the project and proposed solution;

19.8 How the project cost was developed, including what was covered under specific line items, the extent to which work was tendered, and what cost contingency had been included.[17]

20. The regulatory framework and assessments underpinning our draft decisions are presented in the following attachments:

20.1 '**Attachment A – Reconsideration framework**' sets out the regulatory requirements against which we have assessed Wellington Electricity's application.

20.2 '**Attachment B – Assessment of unforeseeable large project (resilience capex) reopener criteria**' presents our assessment of Wellington Electricity's application against the unforeseeable large project reopener (connection capex and system growth expenditure) criteria.

20.3 '**Attachment C** – **Assessment of 'whether to amend' criteria**' sets out our assessment of the application against the 'whether to amend' reopener criteria.

20.4 '**Attachment D – Reopening Wellington Electricity's price path and assessment of 'how to amend' criteria**' sets out our draft decision to reopen Wellington Electricity's DPP4 price path, ie, how (what components to amend, by how much to amend and how to amend) and our assessment of the application against the 'how to amend' reopener criteria.

21. We have also published the following documents alongside this paper:[18]

21.1 the draft amendment determination that will give legal effect to our draft decision (if finalised);

21.2 the financial model used to calculate Wellington Electricity's revised price path; and

21.3 Wellington Electricity's response to our RFI post-application.

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[17] See "Wellington Electricity RFI Response - Wellington Electricity Moa Point unforeseeable large project – 8 May 2026" available at Commerce Commission DPP4 and DPP3 Reopeners webpage (under 'Active DPP4 Reopeners'- 'Wellington Electricity Moa Point unforeseeable large project reopener 2026' – 'Draft decision')

[18] See documents available at Commerce Commission DPP4 and DPP3 Reopeners webpage (under 'Active DPP4 Reopeners'- 'Wellington Electricity Moa Point unforeseeable large project reopener 2026' – 'Draft decision').

Submissions on this paper

22. We seek your views on the matters discussed in this paper by 5pm Monday 31 August 2026.

23. Please address your submission to Ben Woodham, EDB Manager c/o infrastructure.regulation@comcom.govt.nz with 'Wellington Electricity Moa Point reconsideration consultation' in the subject line of your email.

24. We prefer submissions in both a format suitable for word processing (such as a Microsoft Word document), as well as a 'locked' format (such as a PDF) for publication on our website.

Confidential submissions

25. While we encourage public submissions so that all information can be tested in an open and transparent manner, we recognise that there may be cases where parties that make submissions wish to provide information in confidence. We offer the following guidance:

    25.1 If it is necessary to include confidential material in a submission, the information should be clearly marked, with reasons why that information is considered to be confidential.

    25.2 Where commercial sensitivity is asserted, submitters must explain why publication of the information would be likely to unreasonably prejudice their commercial position or that of another person who is the subject of the information.

    25.3 Both confidential and public versions of the submission should be provided.

    25.4 The responsibility for ensuring that confidential information is not included in a public version of a submission rests entirely with the party making the submission.

26. Please note that all submissions we receive, including any parts that we do not publish, can be requested under the Official Information Act 1982. This means we would be required to release material that we do not publish unless good reasons exist under the Official Information Act 1982 to withhold it. We would normally consult with the party that has provided the information before any disclosure is made.

27. We request that you provide multiple versions of your submission if it contains confidential information or if you wish for the published electronic copies to be 'locked'. This is because we intend to publish all submissions on our website. Where relevant, please provide both an 'unlocked' electronic copy of your submission, and a clearly labelled 'public' version.

Attachment A Reconsideration framework

A1 This attachment presents the regulatory framework for assessing Wellington Electricity's application to reconsider and amend its DPP4 price path.

The DPP4 price path and quality standards may only be reconsidered in limited circumstances

A2 Wellington Electricity is a non-exempt EDB subject to price-quality regulation by the Commission under Part 4 of the Act. The revenue it may recover from its consumers for the period are set out in the DPP4 determination.[19]

A3 Once determined, the DPP4 price path and quality standards may not be reconsidered (or reopened) within the regulatory period except in limited circumstances.[20] Under s 52T(1)(c)(ii) of the Act, these circumstances include those specified in Subpart 5 of Part 4 of the EDB IMs – Reconsideration of the DPP.[21]

A4 Clause 4.5.1 of the EDB IMs sets out that the Commission may amend an EDB DPP if the Commission is satisfied that:

A4.1 A reopener event has occurred;

A4.2 The DPP should be amended; and

A4.3 The amendment (how to amend) is consistent with clause 4.5.15.

A5 We discuss each of these below.

A6 Our discretion on whether to reopen the price path is guided by the extent to which reopening the price path in these circumstances would promote the s 52A purpose of Part 4 of the Act.

Is the event a reopener event (see Attachment B)

A7 When considering a reopener application, we must first consider whether the event is a reopener event. The EDB IMs prescribe what types of events may be reopener events[22], and that the event must have occurred in the period.[23]

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19 Commerce Commission, Electricity Distribution Services Default Price-Quality Path Determination 2025 [2024] NZCC 28, (20 November 2024).

20 Sections 52T(1)(c)(ii) and 53ZB of the Commerce Act 1986.

21 Commerce Commission, Electricity Distribution Services Input Methodologies Determination 2012 consolidated as of 23 June 2026, (23 June 2026).

22 Ibid, subpart 5 section 2.

23 Ibid, clause 4.5.1(2).

Whether to amend the DPP (see Attachment C)

A8 If we are satisfied that a reopener event has occurred, then we will consider whether to amend the DPP by having regard to at least each of the following matters, to the extent we consider the matter is relevant:[24]

(a) the impact of the reopener event given the relevant circumstances, including both positive and negative effects, on the EDB's costs, revenues, and quality outcomes;

(b) the extent to which the DPP provides explicitly or implicitly for the reopener event;

(c) if an EDB nominated the reopener event:

(i) whether the action required to respond to the reopener event's adverse consequences can be delayed until a future regulatory period;

(ii) the extent to which the EDB:

(A) contributed to the adverse consequences of the reopener event by its action or omission; and

(B) could have prevented or overcome the adverse consequences of the reopener event by exercising reasonable diligence at reasonable cost;

(iii) whether the EDB's planned capex and opex[25] for the remainder of the regulatory period have been appropriately reviewed and reprioritised; and

(d) whether a Customised Price-Quality Path (CPP) proposal is more appropriate than an amendment to the DPP under this subpart.

A9 We may consider a CPP proposal is more appropriate than amending the DPP if the reopener event has an impact on a wide range of costs specific to the EDB that were used explicitly or implicitly to set the DPP. The EDB IMs list a range of matters that we may have regard to in considering this.[26]

A10 Our discretion on whether to reopen the DPP is guided by the extent to which reopening the DPP in these circumstances would promote the s 52A purpose of Part 4 of the Act.

How to amend the DPP (see Attachment D)

A11 If we decide that the DPP should be amended, we then need to consider how this is done. We may amend one or more of the (a) price path (b) quality standards and (c) quality incentive measures in the DPP determination.[27]

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[24] Commerce Commission, Electricity Distribution Services Input Methodologies Determination 2012 consolidated as of 23 June 2026, (23 June 2026), clause 4.5.13.

[25] Operational expenditure

[26] Commerce Commission, Electricity Distribution Services Input Methodologies Determination 2012 consolidated as of 23 June 2026, (23 June 2026), clause 4.5.14.

[27] Ibid, clause 4.5.15.

A12 The EDB IMs set out that when amending the DPP, we must not amend the price path more than is reasonably necessary to mitigate the effect of the reopener event on the DPP.[28]

A13 In determining the extent of any amendment, we must take into account the expenditure objective,[29] and for unforeseeable large project reopeners, we must not amend the price path by more than an amount that reflects the efficient costs that a prudent non-exempt EDB would incur in undertaking that project.[30]

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[28] Commerce Commission, Electricity Distribution Services Input Methodologies Determination 2012 consolidated as of 23 June 2026, (23 June 2026), clause 4.5.15(5).

[29] Ibid, clause 1.1.4(2) - 'expenditure objective' means the objective that capex and opex reflect the efficient costs that a prudent non-exempt EDB would require to (a) meet or manage the expected demand for electricity distribution services, at appropriate service standards, during the DPP regulatory period or CPP regulatory period and over the longer term; and (b) comply with applicable regulatory obligations associated with those electricity distribution services.

[30] Ibid, clauses 4.5.15(6) and 4.5.15(8).

Attachment B Assessment of unforeseeable large project (resilience capex) reopener criteria

B1 Table B1 below presents our assessment of the application against the unforeseeable large project (resilience capex) reopener criteria.[31]

B2 In the context of this reopener under the EDB IMs, 'unforeseeable' does not carry its literal meaning of 'unable to be anticipated or predicted'. 'Unforeseeable' means not included in the forecasts used to set the DPP and it was reasonable for that to occur.[32]

B3 Our draft decision is that the Moa Point Project meets the criteria to qualify as an unforeseeable large project (connection capex and system growth expenditure) reopener which has occurred within the DPP4 period.[33]

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[31] Commerce Commission, Electricity Distribution Services Input Methodologies Determination 2012 consolidated as of 23 June 2026, (23 June 2026), clause 4.5.9.

[32] Ibid, clauses 4.5.9(1)(f) and (g).

[33] Ibid, clauses 4.5.1(2) and 4.5.9.

Table B1 Assessment of unforeseeable large project (connection and system growth capex) reopener criteria

Criteria	Wellington Electricity's view and evidence[34]	Our assessment[35]
4.5.9(1) An 'unforeseeable large project' is a project or programme that has a primary driver of meeting demand for- (d) a combination of connection capex and system growth expenditure which is defined as (clause 1.1.4(2)): Connection capex means: capex on assets to establish a new, or alter an existing, connection point or other connection point at the request of a connecting party, and includes capex relating to- (a) parts of the network for which the capex is recoverable in total, or in part, by a capital contribution from the connecting party requesting the new or altered connection point; and (b) electricity injection and offtake connection points; System growth expenditure means: (a) system growth capex; or	The project integrates with a broader Miramar Peninsula network development plan. This plan presents a coordinated approach to address constraints on the Miramar Peninsula through a series of staged infrastructure upgrades, meaning that other customers will benefit from the additional capacity the system growth capex will provide. Refer to section 3: The project	**Criterion Met** We consider this project meets the definition of an unforeseeable large project, that has the primary driver of meeting demand for a combination of connection capex and system growth expenditure. This reopener is driven by a requirement from WCC to provide a new network connection for a new Sludge Minimisation Facility and to accommodate the additional load on the network from the Sludge Minimisation Facility. The new facility will require an additional 1.6 MVA capacity that the current connection cannot fully accommodate. WCC will pay a capital contribution for this project, in line with Wellington Electricity's relevant capital contribution policy.

34 The content in this column is sourced from Wellington Electricity's self-assessment in its application or its responses to our RFI. All references to 'sections' in this column refer to sections in Wellington Electricity's reopener application.

35 Information in this column is sourced from Wellington Electricity's application (Wellington Electricity, DPP4 reopener application — Moa Point and Eastern Cable Project, (March 2026)), or its response to our RFI (See Wellington Electricity, DPP4 reopener application — Moa Point and Eastern Cable Project, (March 2026) and supporting documents available at Commerce Commission DPP4 and DPP3 Reopeners webpage (under 'Active DPP4 Reopeners'- 'Wellington Electricity unforeseeable large project reopener 2026')), unless otherwise specified.

Criteria	Wellington Electricity's view and evidence[34]	Our assessment[35]
(b) opex for which the primary driver is a requirement for additional capacity at a particular location (including, for example, opex that is incurred to acquire flexibility to respond to that driver). System growth capex means: capex other than the connection capex, where the primary driver for the capex is either a requirement for additional capacity at a particular location or a change in the requirement for electricity distribution services as a result of the introduction of new or emerging technologies, and includes: (a) capex associated with network protection, control, automation, and telecommunications assets; and (b) capex incurred in the acquisition of networks from other providers of electricity lines services.		
4.5.9(1)(f) the EDB's forecasts used by the Commission for setting the DPP to which the project or programme relates did not include that project or programme;	Wellington Electricity's forecasts used by the Commission for setting DPP4 did not include the project. Refer to section 4: Reopener criteria	**Criterion met** The project was not included in the 2024 AMP used to set DPP4.
4.5.9(1)(g) it was reasonable for the EDB not to have included that project or programme in the forecasts;	The timeline for establishing the requirements demonstrates that it was reasonable not to have included the project in the DPP4 capex forecasts. In response to the RFI: The project scope was insufficiently understood within the timeframes required for delivering the 31 March 2024 AMP. In addition, there was interaction with other potential major customer projects on the same zone substation, discussed in response to Question 6, which had uncertain scopes and timing, making it difficult to define and estimate the total integrated solution for all of these requests.	**Criterion met** Additional clarification sought via RFI to understand the level of certainty around the project at the time of the 2024 AMP, as the connection request had been received a year earlier in March 2023. We are satisfied that there was sufficient uncertainty around the forecast cost, scope, and timing of the project that it was not included in the 2024 AMP.

Criteria	Wellington Electricity's view and evidence[34]	Our assessment[35]
	Refer to section 4: Reopener criteria RFI response Q1	The scope uncertainty at the time was around whether the project would include just the upgrade required to accommodate the new Sludge Minimisation Facility, or whether it would also include upgrades to accommodate other large capacity projects in the area – of which these projects had not been finalised yet. The timing was also uncertain due to the project's connection to these other large possible projects that did not have confirmed dates.[36]
4.5.9(1)(h) the amount of capital contributions to be received by the EDB for the project or programme is sufficient in the circumstances, and is in accordance with the EDB's usual policy on capital contributions;	Capital contributions are sufficient in the circumstances and are in accordance with WELL's customer capital contribution policy. Refer section 5: Customer capital contribution policy, and also to WELL's Customer Contribution Policy (copy provided via email). WCC have contributed to the costs directly attributed to the connection through a combination of an upfront payment and then as an additional tariff component over the term of a connection agreement.	**Criterion met** WCC is contributing to the cost of the project through: - A capital contribution of $1.3 million - Additional direct tariffs to recover a further $7.2 million of project costs[37] The capital contribution was calculated using Wellington Electricity's relevant customer contribution policy[38], using the formula outlined on page 12 and 13 of the application. The overall costs paid by WCC cover the direct costs associated with the connection, as well as its demand share of the upstream costs. We consider

[36] Source: RFI response that is not published due to commercially sensitive information. This information was cleared for publication with Wellington Electricity via email on 30 July 2026.

[37] See further assessment of this additional revenue recovery in the assessment of clause 4.5.9(1)(o)) in this table.

[38] The relevant customer contribution policy is the October 2023 version. This was the relevant version at the time of application.

Criteria	Wellington Electricity's view and evidence[34]	Our assessment[35]
		this cost allocation 'sufficient in the circumstances'.
4.5.9(1)(i) the relevant expenditure specified in subclause (2) for the project or programme exceeds one of the thresholds specified in subclause (3);	The $14.14m project cost (net of contributions) exceeds the $2.5m threshold.	**Criterion met** The $14.14m project cost (net of contributions) exceeds the $2.5m threshold. This has been assessed on the basis of costs presented in Wellington Electricity's application. We agree with Wellington Electricity's assessment that the project costs exceed the threshold.
4.5.9(1)(m) in respect of paragraph (d),- (i) an authorised officer of the connecting party has confirmed in writing to the Commission that it is committed to the project or programme; and …	A letter from the WCC confirming commitment to the project is included with this application. Refer to the attached letter to this application.	**Criterion met** Letter dated 19 February 2026 was sent to the Commerce Commission from the CEO of WCC.[39] This letter confirmed WCC's commitment to the Sludge Minimisation Facility Project, noting the construction of the Sludge Minimisation Facility was already underway at Moa Point. The letter also outlined the importance of the project for Wellington, as it will reduce the volume of sludge created as a result of water treatment up to 80 percent.
4.5.9(1)(m) in respect of paragraph (d),- … (ii) the EDB has provided sufficient evidence to the Commission that the project or programme for system growth expenditure is prudent;	The project is prudent because: • The solution selected provides the best long-term benefits to consumers; and	**Criterion met** We consider "prudency" as the right investment at the right time. We are satisfied that the project is prudent because:

[39] Wellington City Council, New Connection request \| additional electricity demand by Moa Point Sludge Minimisation Facility, (19 February 2026).

Criteria	Wellington Electricity's view and evidence[34]	Our assessment[35]

	• The cost for the selected solution reflects market rates.
	
	Refer to section 3.1 demonstrating that the selected option was the lowest long-term cost option while ensuring that the objectives of the project are achieved. Section 3.3 provides the methodology used to determine that the project cost reflects market prices.
		• Expenditure is required to supply WCC's connection request.
		  ○ The connection is needed now because of the expiring resource consent for the existing sludge management solution;
		  ○ the new connection requires higher capacity and therefore the system growth capex is required; and
		  ○ Wellington Electricity chose to increase the capacity of the new cable from the minimum required to 11kV which will enable an N-1 capacity for a relatively minor increase in cost;
		• Wellington Electricity considered and analysed options before selecting the proposed solution based on a set of criteria;
		  ○ Wellington Electricity outlined three options for the Moa Point upgrade and three options for the Eastern Cable upgrade that were considered in its

Criteria	Wellington Electricity's view and evidence[34]	Our assessment[35]
		application at pages 9 and 10. ◦ Additional investment to increase capacity in the Miramar peninsula (i.e. Western cable) was initially considered but has been deferred until downstream need is confirmed.[40] We consider this is a prudent decision to make given the current uncertainties related to the Western Cable. We also agree that it was prudent to increase the capacity of the Eastern Cable to future proof for expected network growth and to provide N-1 for that area[41] at a modest additional cost.[42]
4.5.9(1)(o) any proposed additional revenue sought will be apportioned by the EDB appropriately between different parties.	Wellington Electricity's customer contribution policy means that WCC has paid $1.3m in capital contributions and is paying its share of the capacity installed to supply the connection point. See Section 6	**Criterion met** Wellington Electricity have a Direct Agreement with WCC for this project, which enables charging a higher direct tariff so WCC can pay off a portion of connection costs over time (rather than via an upfront capital contribution).

[40] Wellington Electricity, DPP4 reopener application — Moa Point and Eastern Cable Project, (March 2026), section 3.2

[41] Source: RFI response that is not published due to commercially sensitive information. This information was cleared for publication with Wellington Electricity via email on 30 July 2026.

[42] Wellington Electricity, DPP4 reopener application — Moa Point and Eastern Cable Project, (March 2026), pg 10.

Criteria	Wellington Electricity's view and evidence[34]	Our assessment[35]
		WCC is contributing to the cost of the project through: - A capital contribution of $1.3 million - Additional direct tariffs to recover a further $7.2 million of project costs WCC are paying for the system growth portion of the upgrade according to its proportion of demand, calculated in line with Wellington Electricity's pricing methodology. [43] As WCC are paying for the directs costs and those calculated from its demand, we consider this is an appropriate proportion.

[43] Wellington Electricity Pricing Methodology 3 March 2026 for the assessment period ending 31 March 2027

Attachment C Assessment of 'whether to amend' criteria

C1 This attachment presents our assessment of the application against the 'whether to amend' criteria set out in the EDB IMs:

C1.1 clause 4.5.13 - Commission consideration of whether to amend the DPP;[44] and

C1.2 clause 4.5.14 - Commission may determine a CPP proposal more appropriate.[45]

C2 If we are satisfied that a reopener event has occurred, then when deciding whether to amend the DPP we must have regard to at least each of the matters listed in Tables C1 and C2 below (to the extent we consider them relevant). We refer to these as "consideration factors" in the Tables below.

C3 Based on our assessment, we are satisfied that Wellington's DPP4 price path should be amended. We do not consider a CPP is more appropriate.

[44] Commerce Commission, Electricity Distribution Services Input Methodologies Determination 2012 consolidated as of 23 June 2026, (23 June 2026), clause 4.5.13.

[45] Ibid, clause 4.5.14.

Table C1 Assessment of 'whether to amend the DPP' consideration factors

Consideration factors	Wellington Electricity's view and evidence [46]	Our assessment[47]
4.5.13 Commission consideration of whether to amend the DPP 4.5.13(1) If satisfied that a reopener event has occurred, the Commission must, when deciding whether to amend the DPP, have regard to at least each of the following matters (to the extent that the Commission considers the matter is relevant):		We have had regard to each of the matters set out below.
4.5.13(1)(a) the impact of the reopener event given the relevant circumstances, including both positive and negative effects, on the EDB's costs, revenues, and quality outcomes;	The investment for which the reopener event relates is a critical project required by the customer and Wellington City. Refer to section 3: The project and Appendix A of the application.	**Factor considered.** We agree the project is required to supply WCC's Sludge Minimisation Facility. Costs to other consumers are minimised by ensuring WCC makes a reasonable contribution to project costs.

[46] The content in this column is sourced from Wellington Electricity's self-assessment in its application or its responses to our RFI. All references to 'sections' in this column refer to sections in Wellington Electricity's reopener application.

[47] Information in this column is sourced from Wellington Electricity's application (Wellington Electricity, DPP4 reopener application — Moa Point and Eastern Cable Project, (March 2026)), or its response to our RFI (See Wellington Electricity, DPP4 reopener application — Moa Point and Eastern Cable Project, (March 2026) and supporting documents available at Commerce Commission DPP4 and DPP3 Reopeners webpage (under 'Active DPP4 Reopeners'- 'Wellington Electricity unforeseeable large project reopener 2026')), unless otherwise specified.

Consideration factors	Wellington Electricity's view and evidence [46]	Our assessment[47]
		If this project is not approved, and Wellington Electricity wants to stay within its DPP4 revenue allowance envelope, it might need to deprioritise other expenditure which might have negative impacts on outcomes for consumers. We note that Wellington Electricity has already signed a connection agreement with WCC, which limits its ability to take other actions to reduce the impact of the project on the RAB, including but not limited to: • Decline the connection request; • Require WCC to pay a higher portion of its allocated costs upfront through capital contributions, rather than over time through a direct tariff agreement (i.e. pay $8.5 million upfront, rather than $1.3 million upfront and $7.2 million through direct tariffs over time); and or • Require WCC to pay a higher overall consumer capital contribution, which would be inconsistent with Wellington Electricity's policies, and may lead to WCC paying more than is reasonable towards the project costs.
4.5.13(1)(b) the extent to which the DPP provides explicitly or implicitly for the reopener event;	The DPP4 determination does not include an allowance for this project. As such, an additional allowance is needed. Refer to section 3: The project and section 4: Reopener criteria in the application.	**Factor considered.** The project (or components of the project) were not included in the AMP 2024 expenditure forecast and therefore have not been explicitly provided for in DPP4.

Consideration factors	Wellington Electricity's view and evidence [46]	Our assessment[47]
		The project has not been implicitly provided for. Wellington Electricity's DPP4 capex allowance was around 40% of its forecast capex in its 2024 AMP. We therefore do not consider it reasonable for the project to be 'implicitly' provided for in the DPP allowance.
4.5.13(1)(c) if an EDB nominated the reopener event: (i) whether the action required to respond to the reopener event's adverse consequences can be delayed until a future regulatory period;	To ensure that WELL meets the customer's deadline of ensuring that the Sludge Minimisation Facility is operational before the Southern Landfill consent expires in 2026, WELL's assets must be in situ and commissioned in the first quarter of 2026. Refer to sections 1-3 and Appendix A of the application.	**Factor considered.** We agree that the timing requirements of WCC's connection request mean that the project cannot be delayed until a future regulatory period. This is because the Sludge Minimisation Facility needed to be completed before the expiration of the existing sludge management solution resource consent. Deferring this connection upgrade until a DPP or CPP application would have impacted the completion of Sludge Minimisation Facility on time.
4.5.13(1)(c) if an EDB nominated the reopener event: (ii) the extent to which the EDB: (A) contributed to the adverse consequences of the reopener event by its action or omission; and	WELL was unable to include this project in its capex forecasts as the scope of the project was not known at the time. Refer to section 4: Reopener criteria.	**Factor considered.** The need for the reopener was driven externally by a third-party (WCC) connection request. We do not consider that Wellington Electricity could or should have acted differently to avoid the need for an upgrade to supply this connection request.

Consideration factors	Wellington Electricity's view and evidence [46]	Our assessment[47]
(B) could have prevented or overcome the adverse consequences of the reopener event by exercising reasonable diligence at reasonable cost;		
4.5.13(1)(c) if an EDB nominated the reopener event: (iii) whether the EDB's planned capex and opex for the remainder of the regulatory period have been appropriately reviewed and reprioritised; and	No DPP4 allowances are available for this project. Refer to section 3: The project (in the application). Additional information submitted in response to our RFI request.	**Factor considered.** The DPP4 revenue allowances only provide for 40% of Wellington Electricity's 2024 AMP capex forecasts[48] and 89% of its opex forecasts.[49] Given this context, Wellington Electricity has limited ability to reprioritise in order to fund this project within its existing allowances. Wellington Electricity, in response to our RFI, provided a list of projects that have been delayed in order to complete this upgrade first. It however stated that these are all upgrades that need to be completed, within the DPP4 period.[50]

[48] See figure B3 Capex allowance as a proportion of EDBs' AMP forecasts (assessed on a constant 2024$ basis) https://www.comcom.govt.nz/assets/pdf_file/0024/363282/EDB-DPP4-Final-decision-Reasons-paper-Attachment-B-Capital-Expenditure-20-November-2024.pdf.

[49] See Table 2.5 DPP4 opex allowances, change from draft to final (nominal $ million) https://www.comcom.govt.nz/assets/pdf_file/0022/363280/Default-price-quality-paths-for-electricity-distribution-businesses-from-1-April-2025-Final-decision-Reasons-paper-20-November-2024.pdf

[50] Source: RFI response that is not published due to commercially sensitive information. This information was cleared for publication with Wellington Electricity via email on 30 July 2026.

Consideration factors	Wellington Electricity's view and evidence [46]	Our assessment[47]
4.5.13(1)(d) whether a CPP proposal is more appropriate than an amendment to the DPP under this subpart.	WELL considers a DPP reopener to be more appropriate than a CPP proposal for the following reasons: - The project addresses a single investment on the periphery of the Miramar Peninsula network development plan. It is not part of a network-wide programme requiring wide engagement with consumers and other interested persons. - The likely price impacts to consumers is negligible and is not anticipated to materially impact consumers or the network. - The investment is not large enough nor of sufficient scope to justify a customised price-quality path (CPP) application. - Given the customer's deadlines, WELL is unable to defer investment for this project. Refer to sections: 1 - Application Summary; 2 – Background; 3 - The Project; 5 - Impact on future network tariffs	**Factor considered.** The external deadlines of June 2026 driven by the WCC meant it was impractical for Wellington Electricity to include it in a future CPP application as it would have been unable to commission the assets in a suitable timeframe. The project involves a small area of the network and will likely have minimal material impacts on consumers. Given these reasons, we agree with Wellington Electricity's assessment that a DPP reopener is more appropriate for this project than a CPP proposal. See Table C2 below for further reasons.

Table C2 Assessment of 'CPP proposal more appropriate than an amendment to the DPP' consideration factors

Consideration factors	Our assessment[51]
4.5.14(1) For the purposes of clause 4.5.13(1)(d), the Commission may consider a CPP proposal is more appropriate than amending the DPP if the reopener event has an impact on a wide range of costs specific to the EDB that were used explicitly or implicitly to set the DPP and, in particular, may have regard to any of the following matters:	
4.5.14(1)(a) whether the project or programme to which the reopener event relates is, or should be, part of a wider project or programme requiring wide engagement with consumers and other interested persons.	**Factor considered** As this project is part of the step change in growth Wellington Electricity is anticipating, it may have been appropriate for this project to be included in a CPP application as part of a wider growth programme. [52] However, given the timing of the project (driven by the needs of the consumer) it would not have been practical to wait to include the project in a potential CPP application. In addition, this project is sufficiently contained to the requirements of the new Sludge Minimisation Facility. It can therefore be progressed ahead of the CPP without any impacts or implications for wider network plans.
4.5.14(1)(b) the materiality of the likely price or quality of service effects on consumers of the amendment to the price path to mitigate the effect of the reopener event on the DPP.	**Factor considered** The bill impact from the reopener event on Wellington Electricity consumers is estimated to be 10 to 20 cents to a monthly bill ($2.40 per year). We consider this to be minor.

[51] Information in this column is sourced from Wellington Electricity's application (Wellington Electricity, DPP4 reopener application — Moa Point and Eastern Cable Project, (March 2026)), or its response to our RFI (See Wellington Electricity, DPP4 reopener application — Moa Point and Eastern Cable Project, (March 2026) and supporting documents available at Commerce Commission DPP4 and DPP3 Reopeners webpage (under 'Active DPP4 Reopeners'- 'Wellington Electricity unforeseeable large project reopener 2026')), unless otherwise specified.

[52] https://www.welectricity.co.nz/news/show/have-your-say-on-the-future-of-wellingtons-electricity-network

Consideration factors	Our assessment[51]
4.5.14(1)(c) the extent to which a large number or proportion of consumers are likely to be affected by the amendment to the price path to mitigate the effect of the reopener event on the DPP;	**Factor considered** WCC have made an upfront capital contribution of $1.3 million and will fund a further $7.2 million of the project through a direct tariff. This has reduced the price impact for other consumers, as WCC is paying for a reasonable share of the project (established above in Table B1). As noted in the row above, we consider this additional bill impact to be minor.
4.5.14(1)(d) whether the amendment to the price path to mitigate the effect of the reopener event on the DPP is likely to have any upstream or downstream effects on the network;	**Factor considered** The project appears to be contained and does not require prerequisite or subsequent work in other parts of Wellington Electricity's network. Nothing in Wellington Electricity's reopener application nor its responses suggests that work is required as a prerequisite for the project or as a consequence of the project.
4.5.14(1)(e) in the case of an unforeseeable large project or a foreseeable large project, whether, and the extent to which, the forecast total value of commissioned assets attributable to any unforeseeable large projects or foreseeable large projects that, in the same disclosure year, have resulted in the DPP being amended under this subpart (or were nominated by the EDB for that purpose), exceeds $30 million.	**Factor considered** The project cost is $14.14 million, this is less than $30 million.

Attachment D Reopening Wellington Electricity's price path and assessment of 'how to amend' criteria

D1 This attachment sets out:

D1.1 our draft decision to reopen and amend Wellington Electricity's DPP4 price path, including

D1.1.1 what price-quality path components to amend;

D1.1.2 by how much those should be amended; and

D1.1.3 how those should be amended.

D1.2 our assessment of the application against the 'how to amend' reopener criteria which underpins the draft decisions at D1.1.1 and D1.1.2 above.[53]

Reopening Wellington Electricity's price path

We propose only amending the price path

D2 We may amend one or more of the (a) price path (b) quality standards and (c) quality incentive measures. [54]

D3 Our draft decision is to only amend Wellington Electricity's DPP4 price path.

D4 Wellington Electricity did not request its quality standards and quality incentive measures be amended in its application. As such, we do not consider they need to be amended.

We propose amending the price path by $5.071 million DY28-DY30 based on accepted costs (VCA) of $14.140 million

D5 The EDB IMs set out that we must not amend the price path more than is reasonably necessary to mitigate the effect of the reopener on the DPP. [55] This means for unforeseeable large project reopeners like Moa Point, an amount that reflects the efficient costs that a prudent non-exempt EDB would incur in undertaking the project.[56]

[53] Commerce Commission, Electricity Distribution Services Input Methodologies Determination 2012 consolidated as of 23 June 2026, (23 June 2026), clause 4.5.15.

[54] Ibid, clause 4.5.15(1). See also our assessment against this clause in the first row of Table D1.

[55] Ibid, clause 4.5.15(5).

[56] Ibid, clause 4.5.15(8).

We propose accepting Wellington Electricity's estimated costs of $14.140 million for Moa Point

D6 Wellington Electricity applied for $14.140 million of VCA to be commissioned in DY26 and DY27.

D7 In its application, it provided a high-level overview of the cost elements that make up the $14.140 million.[57]

D8 Accepting $14.140 million VCA results in a price path amendment of $5.071 million across DY28-DY30. We consider that the amendment amounts to the price path are not more than is reasonably necessary to mitigate the effect of the Moa Point reopener on DPP4 for the reasons outlined above and in Table D1(assessment against clause 4.5.15(8)).

Amending the price path by $5.071 million DY28-DY30 involves amending the forecast value of commissioned assets, forecast net allowable revenue and actual net allowable revenue

D9 To give effect to our decision to amend Wellington Electricity's price path to take account of the change resulting from the Moa Point reopener, we are:

D9.1 adding the values for the assets that will be commissioned in DY26 and DY27 into the financial model to calculate the incremental Forecast Net Allowable Revenue (FNAR);

D9.2 updating the determination to reflect the present value of the incremental FNAR for the first year where prices have not been set yet (DY28);

D9.3 updating how the Actual Net Allowable Revenue (ANAR) is defined for DY28 so that Wellington Electricity can correctly calculate the wash-up amount later; and

D9.4 updating the determination to reflect the capex allowances for DY26 and DY27 that are to be used for incremental rolling incentive scheme calculations.

D10 The price path amendment of $5.071 million is the total nominal increase in FNAR over the DPP4 period for DY28-30.

D11 We have published the draft amendment determination and the financial model used to calculate the updated FNAR alongside this reasons paper.

[57] Wellington Electricity, DPP4 reopener application — Moa Point and Eastern Cable Project, (March 2026), section 1

Monthly bill impact for consumers

Wellington Electricity will be able to recover the additional revenue in prices from DY28 (1 April 2027) onwards. Wellington Electricity have estimated that the additional revenue equates to a monthly residential consumer bill increase of approximately 10-20 cents per installation control point.

Assessment of 'how to amend' reopener criteria

D12 Table D1 details our assessment of Wellington Electricity's application under clause 4.5.15 'Amending DPP after reconsideration'.

Table D1 Assessment against 'amending DPP after reconsideration' relevant criteria

Criteria	Our assessment[58]
4.5.15(1) If the Commission decides that the DPP should be amended, the Commission may amend 1 or more of the following matters specified in the DPP determination: (a) price path; (b) quality standards; and (c) quality incentive measures.	Wellington Electricity proposes to recover costs through a reopening of the price path. Wellington Electricity is not proposing to amend the quality standards and quality incentive measures. We are amending the price path only. We do not consider that it is necessary to amend quality standards or quality incentive measures.
4.5.15(2) The Commission may amend the price path in respect of any type of reopener event except for the provision by an EDB of a quality standard variation proposal.	Wellington Electricity proposes to recover costs through a reopening of the price path. This clause is satisfied as this reopener is not a quality standard variation proposal.
4.5.15(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 4.5.2.	We are amending the price path for assets that will be commissioned after the reopener application date. Application date was 9 March 2026, and Wellington Electricity noted in its application that no assets had yet been commissioned (see Section 1 page 3). Since then, (from the RFI response) we know that the Moa Point connection was commissioned by the end of March 2026 and the Eastern Cable was commissioned in April 2026. We note that the application date of 9 March 2026 remains unchanged even though we requested further information from WE on its application.

[58] Information in this column is sourced from Wellington Electricity's application (Wellington Electricity, DPP4 reopener application — Moa Point and Eastern Cable Project, (March 2026)), or its response to our RFI (See Wellington Electricity, DPP4 reopener application — Moa Point and Eastern Cable Project, (March 2026) and supporting documents available at Commerce Commission DPP4 and DPP3 Reopeners webpage (under 'Active DPP4 Reopeners'- 'Wellington Electricity unforeseeable large project reopener 2026')), unless otherwise specified.

Criteria	Our assessment[58]
4.5.15(5) The Commission must not amend (a) the price path more than is reasonably necessary to mitigate the effect of the reopener event on the DPP; 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.	We are amending the price path by $5.071 million in total over DY28-30. This value is the price path impact from $14.14 million VCA which we have accepted. We are not amending the price path more than is reasonably necessary to mitigate the effect of the reopener event on the DPP. We have accepted the costs proposed by WE and are amending the price path to reflect those costs and not more. Our reasons for accepting the proposed costs are set out in row 6 of this table.
4.5.15(6) In determining the extent of any amendment to the price path, the Commission must take into account the expenditure objective.	The expenditure objective reflects the efficient costs that a prudent, non-exempt EDB would reasonably incur, which is addressed in clause 4.5.15(8). See row 6 below.
4.5.15(8) In the case of an unforeseeable large project or a foreseeable large project, the Commission must not amend the price path by more than an amount that reflects the efficient costs that a prudent non-exempt EDB would incur in undertaking that project.	Additional information was provided in the RFI: • There was significant re-use of design and procurement activities from the Evans Bay project. Building design for switchgear, and switchboard design were all recycled in this project. The transformer arrangement is similar to the completed Parliamentary Services project. • A significant level of design costs, enabling works costs and asset costs (transformers) were recovered from WCC via our connection policies and relocation policies.

Criteria	Our assessment[58]
	We are satisfied that the $14.14 million VCA reflects efficient costs that a prudent non-exempt EDB would incur in undertaking the project. We are amending the price path by an amount that reflects those costs and not more. We are accepting all of Wellington Electricity's proposed costs ($14.14 million VCA). We consider the costs to be efficient on the basis of the following: • Wellington Electricity re-used design and procurement activities from a similar project, to keep those parts of the project costs low. • Wellington Electricity also recovered a significant level of design, enabling works, and asset costs from WCC via its connection policies and relocation policies. We are satisfied that the project is prudent as the need for the expenditure has been adequately identified, and options were considered before the proposed solution was selected. Further discussion is in row 8 in Table A1.
4.5.15(9) The Commission may amend the quality standards or quality incentives measures in respect of any type of reopener event.	Wellington Electricity is not proposing an amendment to the quality incentive measures. We are not amending the quality standards or quality incentive measures as Wellington Electricity has not requested this in its reopener application.