



Final decision - reconsideration of default price-quality path for Unison Networks Limited 2024

19 September 2024

Unison applied to us to reconsider and amend its DPP3 price path for an unforeseeable major capex project

Unison Networks Limited (Unison) applied to us to reconsider and amend its default price-quality path under the Electricity Distribution Services Default Price-Quality Path Determination 2020 [2019] NZCC 21 (DPP3 price path) to cover the Te Huka 3 project Unison considers an 'unforeseeable major capex project'.¹

Unison is subject to price-quality regulation by the Commerce Commission (Commission) under Part 4 of the Commerce Act. As such, the revenue it can recover from its consumers is limited. Reconsideration of revenue limits is only permitted under certain circumstances. Unison has applied to the Commission for its revenue limits to be reconsidered to take account of a major capex project that was unforeseeable at the time the original revenue limits were set.

Our draft decision was to reopen Unison's DPP3 price path as applied for

We published our draft decision on 3 July 2024.² Our draft decision was to reopen Unison's DPP3 price path as applied for.

We consulted on our draft decision between 3 July and 17 July 2024. We received no submissions.

Our final decision confirms our draft decision

Our final decision is to reopen Unison's DPP3 price path as applied for. The reasons for our final decision are the same as those set out in our draft decision.

The final decision is as follows:

- the Te Huka 3 project is an unforeseeable major capex project. Attachment A of the draft decision outlines our assessment against the Electricity Distribution Services Input Methodologies Determination 2012 [2012] NZCC 26 criteria; and
- to reopen Unison's DPP3 price path as proposed in these circumstances as it promotes the s 52A(1)(a) and (b) limbs of the purpose of Part 4 of the Commerce Act. Detailed reasons for our decision to amend and how we amend the DPP3 price path are outlined at Attachment B of the draft decision.

¹ Unison, [Te Huka 3 application](#), 14 May 2024.

² Commerce Commission, [Te Huka 3 Draft decision](#), 3 July 2024.

Alongside this note, we have published an amendment determination that gives effect to our final decision.³ We have also published the financial model for our final decision.⁴

Table 1: Summary of Unison’s reopener application

	Te Huka 3 application
Reopener type	Unforeseeable major capex project
Sub-type	Connection capex
Project description	Customer request for the supply of a new connection
Application link	Te Huka 3 application
Project cost	Capex \$5.766 million
Impact on revenues	Less than 1%
Estimated consumer bill impact	No consumer bill impact unless the assets are used as alternative supply into the North Taupo network, when costs will be shared

³ Commerce Commission, “Electricity Distribution Default Price-Quality Path (Unison Te Huka 3 project) Amendment Determination 2024 [2024] NZCC 20”, (19 September 2024).

⁴ Commerce Commission, “Reconsideration of default price-quality path for Unison – Final decision financial model”, (19 September 2024).