CONNECTIONS POLICY

2026

WAIPĀ NETWORKS

CONTENTS

1. BACKGROUND

This Connections Policy sets out how Waipā Networks Limited provides and charges for new connections and alterations to existing connections. It gives effect to the Electricity Industry Participation Code (the Code), effective from 1 April 2026, and replaces the Waipā Networks Capital Contributions Policy (Version 3.2) for connection applications received on or after that date. Existing Capital Contributions and Pioneer Agreements entered into before that date remain in force and continue to apply unchanged.

2. PURPOSE AND PRINCIPLES

The purpose of this policy is to:

a. Explain how customers can connect to, or alter an existing connection to, the Waipā Networks distribution network

b. Describe the methodology Waipā Networks applies when determining Connection Charges, including which services are chargeable and how charges are calculated

c. Provide transparency around the connection process, timing, and cost components

d. Give effect to the mandatory connection pricing and reconciliation requirements of clause 6B of the Code.

Waipā Networks applies the following principles when assessing and pricing connections:

a. Connections applications are processed on a first-come, first-served basis

b. Existing network capacity and standard design solutions are used wherever practicable

c. Charges reflect the costs caused by the connection

d. Pricing and process are applied consistently and transparently

e. Safety, reliability, and network standards are maintained at all times.

This policy is consistent with the Distribution Pricing Principles published by the Electricity Authority in June 2019 and is published in accordance with Section 2.4.6 of the Commerce Commission's Electricity Distribution Information Disclosure Determination 2012. The term Connection Charge is used in this policy to align with terminology in the Code, and for the purposes of 2.4.6, is used interchangeably with the term Capital Contribution.

3. APPLICATION AND EFFECTIVE DATE

This policy applies to customers requesting a new connection to the Waipā Networks distribution network, or an alteration to an existing connection, where the connection application is first received on or after 1 April 2026.

Quotes issued before 1 April 2026 remain subject to the previous policy and retain their original 30-day validity period. If such a quote expires on or after 1 April 2026, any subsequent quotation or re-quotation will be assessed and issued under this policy.

4. DEFINITIONS AND SCOPE

Definitions used in this policy are consistent with the Code, including Part 6B, and key defined terms are included in Appendix A.

This policy applies to connection services provided by Waipā Networks up to the point of connection to the network and does not apply to customer-owned assets beyond that point.

5. CONNECTION SERVICES AND CHARGES

Connection services apply where a new or existing customer connection requires an extension, upgrade, or reconfiguration of the Waipā Networks distribution network. A Connection Charge is the amount Waipā Networks requires from the customer towards the cost of providing that connection, excluding administration fees and any Pioneer Scheme payments.

Only Waipā Networks, or parties directly authorised and contracted by Waipā Networks, may provide connection services on the network. The livening process for new and altered connections is described in section 11.

A Connection Charge may include:

a. The cost of works to provide or upgrade the connection

b. Any Customer-selected Enhancements (refer to section 5.2)

c. A contribution toward shared network capacity through a Network Capacity Charge (refer to section 7)

d. Any transmission works required specifically for that connection

e. Other connection-related costs not otherwise included

f. Less any costs contributed by Waipā Networks, where it elects to install or upgrade equipment beyond the minimum required.

For reconciliation purposes, Waipā Networks also takes into account expected future distribution and transmission revenue from monthly line charges over 30 years for residential connections and 15 years for non-residential connections. A portion of this future revenue is recognised when determining the final Connection Charge. The customer may request a reconciliation of the Connection Charges, as outlined in section 8 below.

5.1 Minimum scheme connections

A Minimum Scheme connection is the least-cost technically acceptable solution that meets Waipā Networks' connection and operational standards, including required security and firmness of supply, as set out in the Network Connection Standards available on Waipā Networks' website.

Where more than one technically acceptable option exists, Waipā Networks will determine the Minimum Scheme having regard to cost, operational suitability, and network standards.

Minimum Scheme connections may include:

a. Standard connections using existing network capacity

b. A network extension

c. A network capacity upgrade requiring additional shared network capacity.

5.2 Customer-selected enhancements

Customer-selected Enhancements are additions or improvements to the Minimum Scheme requested by the customer and agreed in writing by Waipā Networks. These may include higher capacity, increased security, or alternative design solutions beyond what is required for the Minimum Scheme Connection.

The customer is charged the full incremental cost of any enhancement, with those costs identified separately from Minimum Scheme charges. Enhancements selected by Waipā Networks beyond the relevant Minimum Scheme are not charged to the Connection Applicant unless expressly permitted under the Code or agreed in writing.

Distributor-selected enhancements beyond the relevant Minimum Scheme are not charged to the Connection Applicant unless expressly permitted under the Code or agreed in writing.

5.3 Connection fees

For applications where a network extension or alteration may be required, an application fee is payable before assessment starts. This fee is to cover the cost associated with evaluating the request and allows for up to two design and price options, including one revision. Additional revision requests or scope changes may incur an additional fee.

A current schedule of fees is published on our Waipā Networks' website.

5.4 Embedded networks (or secondary networks)

Embedded Networks (or Secondary Networks) are excluded from the requirements of Part 6B. The connection charge methodology is only applicable to assets or works that are, or to become, part of Waipā Networks' distribution network up to, and inclusive of, the point of connection to the network.

5.5 Other connection services

Other connection services include:

- Alterations to existing connections that do not fall within the Minimum Scheme or enhancement definitions, including customer-requested network asset relocations or reconfigurations, which may or may not impact any connections.
- Any works on reticulation or equipment owned by any other party, including works within an embedded network or a privately owned HV network

Charges for these services are based on the specific work required.

6. PIONEER SCHEMES

Pioneer Schemes apply where Minimum Scheme extensions create shared network assets capable of serving future connections. Detailed arrangements are set out in the Waipā Networks Pioneer Scheme Policy available on the Waipā Networks website.

The Pioneer Scheme Policy provides for the fair allocation of extension costs where later Connection Applicants benefit from assets funded by an earlier customer. Where a customer funds a qualifying network extension, later connecting parties who make use of that extension may be required to contribute a share of the original costs, with those contributions returned to the original funder as rebates.

This approach supports fairness, reduces cross-subsidisation, and promotes efficient development of the distribution network while providing transparency around how contributions and rebates are calculated and administered. Customer-selected enhancements are excluded from pioneer arrangements unless explicitly agreed in writing.

7. NETWORK CAPACITY CHARGE

7.1 Capacity charges

Waipā Networks' line charges,(the ongoing monthly charges to retailers and direct-billed customers) are intended to recover the normal operating and maintenance costs of the network, including asset replacement as assets reach the end of their service life.

From time to time, Waipā Networks must make significant network investments to meet demand growth from new and existing customers. These investments include sub-transmission lines, zone substations, and other shared network assets that are typically in step changes rather than incrementally, with capacity then utilised progressively over time.

Waipā Networks funds these investments through a combination of debt and retained earnings because efficient network development benefits both individual customers and the wider community. However, consistent with pricing principles, existing customers are not expected to fund all future capacity required for new connections. New connections, therefore, contribute towards the cost of providing shared network capacity through a Capacity Charge.

7.2 Posted capacity rates

In accordance with clause 6B.5 of the Code, Waipā Networks calculates and publishes Posted Capacity Rates that represent the average cost of adding network capacity for each prescribed network tier: sub-transmission, zone substation, high-voltage feeder, distribution substation, and low-voltage mains.

These posted rates are published on Waipā Networks' website and reviewed annually. From 1 April 2027, forward signposting requirements under the Code will also apply.

Waipā Networks applies the Code's network-tier-based capacity charge methodology from 1 April 2026, replacing the previous capacity charging approach referred to as the connection fee. Capacity charges are calculated using the ENA capacity charge model, supported by network information contained in Waipā Networks' Asset Management Plan.

Please refer to the Posted Capacity Rate Schedule on our website for details of the current rates.

7.3 Application of capacity charges

Waipā Networks may apply estimated actual Capacity Charges or Rates instead of posted rates in the following two circumstances:

Circumstance 1 – large connection

Under clause 6B.5(2) of the Code, Waipā Networks may apply estimated actual Capacity Charges instead of the applicable Posted Capacity Rates where the connection's capacity demand assumption for a network tier (excluding low-voltage mains and distribution substations) exceeds 80% of the nominal capacity increment for that network tier. This will generally occur where a connection is sufficiently large so that the Posted Capacity Rate does not reasonably reflect the capacity required for that connection.

Circumstance 2 – local cost materially different

Under clause 6B.5(3) of the Code, Waipā Networks may also use an estimated actual rate where the estimated cost per unit of adding capacity at a network tier differs materially from the applicable Posted Capacity Rate for that network tier and costing zone. This applies when the estimated cost is more than 150% or less than 80% of the posted rate, reflecting circumstances in which local network costs differ materially from the published average.

Capacity Charges are payable on acceptance of the quote and before a new connection is livened or an existing connection is upgraded. For subdivisions, the Capacity Charge is normally payable by the developer.

7.4 Additional capacity charge rules

The following additional rules apply to Capacity Charges:

1. For subdivisions, Capacity Charges are payable upon quote acceptance and are normally payable by the developer.
2. Capacity demand is based on the approved maximum demand of the connection, applying standard fuse rating and diversity assumptions. A minimum of 15kVA (63A) applies to residential connections.
3. Capacity charges are non-refundable if the capacity is later relinquished and are payable again where a connection is treated as new following decommissioning.
4. Allocated capacity cannot be transferred between properties unless approved by Waipā Networks in limited circumstances.
5. Any increase in approved maximum load requires prior approval and may result in additional Capacity Charges.

Legacy thresholds, including 70 kVA, remain in use as internal assessment tools only and do not determine customer-facing charges. All Capacity Charges are calculated using the Part 6B capacity methodology.

Waipā Networks applies the ENA capacity charges model when determining Capacity Charges. This methodology, together with supporting information in the Waipā Networks Asset Management Plan, enables interested parties to understand how Posted Capacity Rates are derived across each network tier.

8. QUOTE PROCESS AND TIMING

Waipā Networks aims to provide timely and transparent cost information throughout the connection process.

Customers can expect:

- Early indicative information once sufficient application details are received
- A formal quote once scope, design, and cost inputs are confirmed
- Clear explanation of the cost components included in the quote.

Where the scope of works changes, Waipā Networks will explain the resulting impact on timing and costs before issuing an updated quote.

9. CONNECTION CHARGE RECONCILIATION

Customers may request a Connection Charge Reconciliation under clause S6B.10 of the Code.

A reconciliation may be requested after a quote has been issued or during the connection process once Connection Charges have been determined.

Waipā Networks will provide a written reconciliation or notify the customer of their right to receive one, as required by the Code. Where Posted Connection Charges apply, Waipā Networks may provide a standardised reconciliation rather than an individual project-specific reconciliation.

10. OWNERSHIP OF NETWORK ASSETS

All network assets installed as part of a connection become the property of Waipā Networks, unless otherwise agreed in writing.

Following commissioning, Waipā Networks is responsible for inspecting, maintaining, and replacing the network assets it owns.

11. LIVENING PROCESS

A point of connection will not be livened until all of the following requirements have been met.

- **a.** An Application for Network Connection has been completed by the applicant and approved by Waipā Networks.
- **b.** All applicable Connection Charges have been paid.
- **c.** The customer has registered for supply with an Electricity Retailer and that retailer has approved the connection.
- **d.** All electricity-related safety compliance has been met.

Livening is undertaken at the request of the customer's Electricity Retailer. Further information on the application and livening process is available on the Waipā Networks' website.

12. DISPUTES AND COMPLAINTS

Waipā Networks maintains a complaints and disputes process in accordance with the Utilities Disputes scheme.

Customers are encouraged to raise concerns early so that issues can be resolved promptly and efficiently. Information on how to make a complaint is available on the Waipā Networks website.

13. TERMS AND CONDITIONS

Waipā Networks has separate published Terms and Conditions for Connection Charges document issued, which is issued at the time a quote is provided.

The document is available in the Connections section of the Waipā Networks' website.

14. DISTRIBUTED GENERATION CHARGES

Where a new distributed generator connects to the network, the Code limits Waipā Networks to recovering only the incremental cost of enabling that connection. Distributed generators are therefore not required to contribute to the existing network capacity where sufficient capacity already exists.

Where a distributed generation connection requires additional assets or network upgrades, the incremental costs of those works may be recovered from the distributed generator. These may include transformers, switchgear, protection systems, lines, or other network reinforcement required specifically to accommodate the connection.

Where the connection triggers additional network investment, the distributed generator may be required to fund the incremental investment. Once installed, the resulting network capacity may also be available to support future connections.

Where distributed generation provides demonstrable cost savings to Waipā Networks, such as deferring or avoiding network investment, Waipā Networks may consider entering into network support arrangements. This generally requires the generator to operate during peak demand periods, inject electricity at locations where network constraints exist, and be of sufficient scale and reliability to provide a material network benefit.

Generation connections greater than 1 MW will generally be assessed to determine whether such benefits arise. For smaller connections, material network investment deferral is not generally expected.

These charging principles apply only to the generation component of a connection and do not apply to the load component of hybrid connections.

As per code 6B.2(3), If an application under Part 6 includes both load and distributed generation:

- The connection enhancement cost allocation requirements and the capacity costing requirements must be applied to the load component of the application before Part 6 is applied to the distributed generation component of the application, and
- The pioneer scheme pricing methodology requirements and connection charge reconciliation methodology requirements must be applied to the connection as a whole.

15. RELATED POLICIES

This policy should be read in conjunction with the following Waipā Networks published policies:

- Pioneer Scheme Policy
- Network Connection Standards
- Pricing Methodology.

Copies of these policies can be found on the Waipā Networks website.

16. REGULATORY COMPLIANCE

This policy has been prepared in accordance with the following regulatory requirements:

- Information Disclosure Determination (Section 2.4.6)
- Electricity Industry Participation Code (Part 6B).

Waipā Networks has also had regard to the Electricity Authority's Distribution Pricing Principles, particularly in relation to cost reflectivity, transparency, and fairness in connection charging.

APPENDIX A – DEFINITIONS

Term	Description
Capacity charge	Also referred to as Network Capacity Charge. This is a component of the Connection Charge that contributes to upstream network capacity.
Capital contribution	For the purposes of this policy, Capital Contribution is used interchangeably with Connection Charge unless otherwise stated.
Connection applicant	The person or entity requesting a new connection or alteration to an existing connection to the Waipā Networks distribution network.
Connection charge	Has the meaning given in Part 6B of the Code. For the purposes of this policy, Connection Charge is used interchangeably with Capital Contribution unless otherwise stated.
Connection charge reconciliation	A standardised breakdown of Connection Charge components provided in accordance with clause 6B.11 of the Code.
Customer-selected enhancement	An enhancement to the relevant Minimum Scheme requested by a Connection Applicant and agreed in writing by Waipā Networks.
Embedded network	As defined by the code, means equipment that is used, designed or intended for use in, or in connection with, the conveyance of electricity, and that: **a.** is indirectly connected to the grid through 1 or more other networks; and **b.** has 1 or more ICP identifiers recorded in the registry as being connected to it.
Electricity retailer	The trader who bills an electricity customer for the electricity consumed at an ICP/Point of Connection.
ENA	Electricity Networks Aotearoa, the industry body representing all New Zealand electricity distribution businesses.
Extension	Under Part 6B of the Electricity Industry Participation Code, connection works or operating arrangements to provide a new connection, or to increase the security or capacity of a connection or distributor assets, where those works do not increase shared network capacity; this includes extension-like upgrades and incremental transmission works, but excludes customer-owned assets and work covered by a connection administration fee.
ICP	Installation Control Point, as defined in the Code. An ICP identifier is assigned to a point of connection for electricity supply and market settlement purposes.
Minimum scheme	The least-cost technically acceptable solution for connection works that meets Waipā Networks' connection and operational standards, including required security and firmness of supply, unless otherwise agreed in writing.
Minimum scheme connection	A connection provided using the least-cost technically acceptable Minimum Scheme determined by Waipā Networks under this policy.
Application fee	A fee payable by a connection applicant for work associated with assessment of the request including, but not limited to, a site visit by a network designer, engineering checks, design and pricing.
Part 6B	Part 6B of the Electricity Industry Participation Code 2010.
Pioneer	A qualifying Connection Applicant under the Code and the Waipā Networks Pioneer Scheme Policy who funds shared extension assets eligible for future rebate.
Point of connection	The physical link between a Consumer Installation and the Distribution Network.
Posted capacity rate	A published average cost per unit of additional network capacity at a defined network tier, calculated in accordance with Part 6B of the Code.
Secondary network	A privately owned electricity network connected to Waipā Networks where downstream reticulation is owned and operated by another party. These can be an embedded network, with ICPs managed by the embedded network owner, or a customer network, with a single ICP from Waipā Networks.
The code	Electricity Industry Participation Code 2010.
Waipā Networks	Waipā Networks Limited

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