

29 January 2026

Ben Woodham
Electricity Distribution Manager
Commerce Commission
44 The Terrace
WELLINGTON

Dear Ben

Nelson electricity and Network Tasman Merger – DPP4 Draft Decision

1. INTRODUCTION

1. Orion welcomes this opportunity to provide feedback on the Commerce Commission's (Commission) draft decision reasons paper - 'Nelson Electricity and Network Tasman merger – Impact on the default price-quality path'.
2. No part of this submission is confidential.
3. Orion owns and operates the electricity distribution infrastructure in Central Canterbury, including Ōtautahi Christchurch city and Selwyn district. Our network is both rural and urban and extends over 8,000 square kilometres from the Waimakariri River in the north, to the Rakaia River in the south; from the Canterbury coast to Arthur's Pass. We deliver electricity to more than 230,000 homes and businesses and are New Zealand's third largest Electricity Distribution Business (EDB).

2. GENERAL

4. Orion supports the approach taken by the Commission, as outlined in its draft decision reasons paper.
5. We note that the Commission has taken an additive approach to the revenue path and underlying expenditure allowances. A transaction of this nature would be expected to yield efficiencies over time; however, there is also potential for Network Tasman to face additional costs in the short term as it integrates Nelson Electricity's asset management (and other) data into its business systems. We therefore think that the Commission's decision to preserve the IRIS incentive, as determined for DPP4, is appropriate and allows Network Tasman to benefit from any efficiencies it can achieve before sharing with consumers in the next regulatory period.
6. Regarding quality standards and incentives, we have not modelled the impact of the merger in detail; however, the modelling we have done concurs with the direction-of-travel and broad quantum of the adjustments that the Commission has determined.

3. CLOSING

7. Thank you for the opportunity to provide this feedback. If you have any questions, or aspects of the submission which you would like to discuss, please contact us on 03 363 9898.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Alec Findlater".

Alec Findlater
Regulatory Lead – Commerce Commission