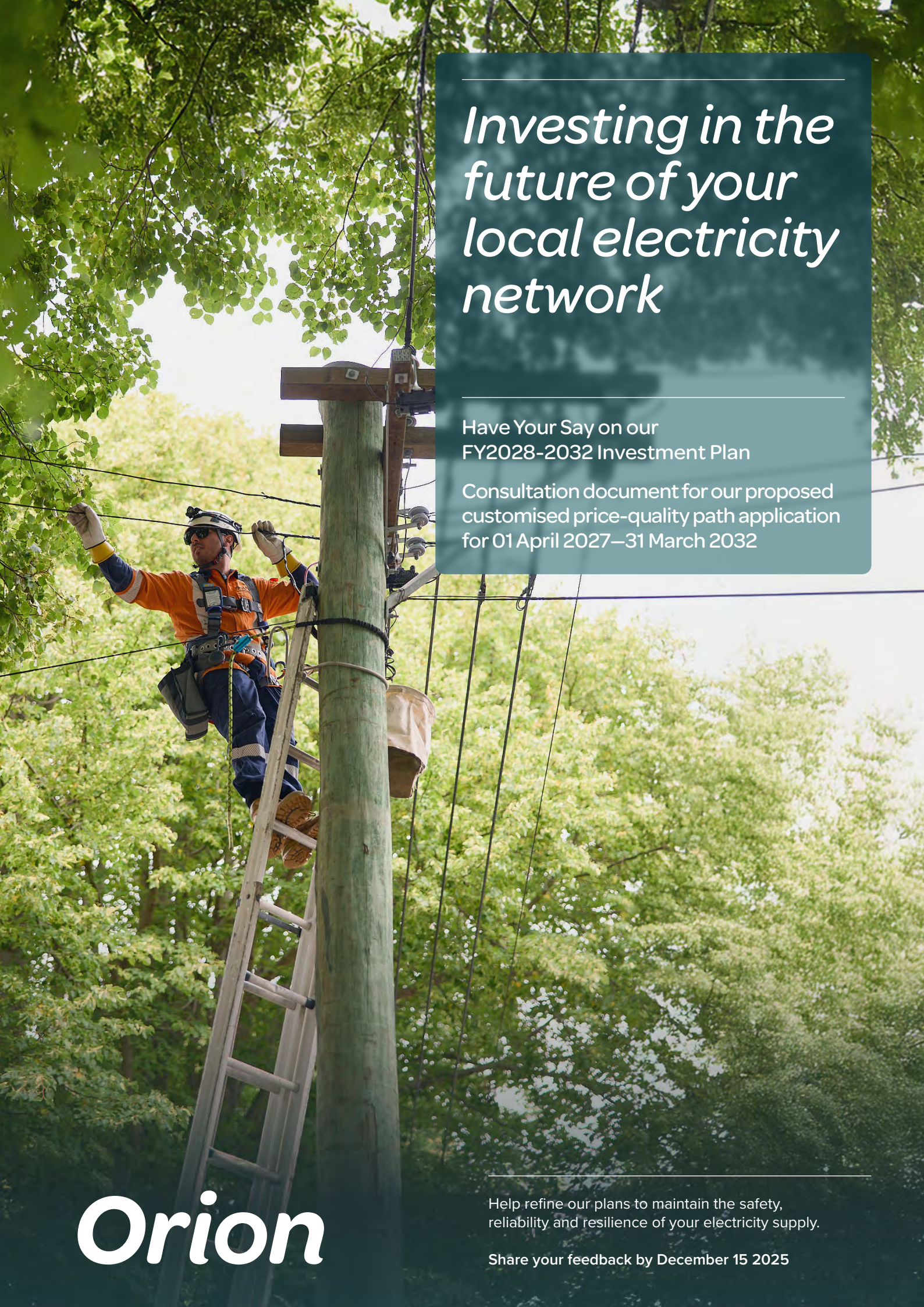


Investing in the future of your local electricity network

Have Your Say on our
FY2028-2032 Investment Plan

Consultation document for our proposed customised price-quality path application for 01 April 2027–31 March 2032

Orion

Help refine our plans to maintain the safety, reliability and resilience of your electricity supply.

Share your feedback by December 15 2025

Welcome to Orion's consultation on our proposed customised price-quality path application. We want your feedback on our investment plans for the future of your electricity network.

We intend to apply for a customised price-quality path (CPP or customised path) for the five-year period 01 April 2027 – 31 March 2032 (FY28-32). We're currently preparing a customised path proposal which we'll submit to the Commerce Commission in June 2026. The Commission sets how much revenue we can earn from the lines charges you pay, and the minimum service quality we must deliver. We're applying for a customised path to make sure we have the revenue needed to provide a safe, reliable, resilient and future-ready network for our customers.

Over the past year, we've been listening to our customers and communities to understand what matters most. This is another opportunity to have your say. This document explains why we need to invest more, what we're investing in, the benefits for you, and the impact on your distribution lines charges.

Our plan reflects what customers have told us: safety, reliability, and resilience are top priorities. You also expect us to plan for growth, support a changing energy future, and keep electricity affordable. We've heard you, and we've worked hard to make sure our plans are prudent and efficient.

We believe our investment plans strike the right balance between managing risk, maintaining safety and reliability, and ensuring long-term affordability. We're investing in the network for the benefit of customers today, and for future generations - we're investing for tomorrow, today.

Tell us what matters most to you. You can share your feedback in several ways:

- **Online**: Visit our consultation website at www.haveyoursay.oriongroup.co.nz and complete the survey
- **Email**: haveyoursay@oriongroup.co.nz
- **In writing**: The Orion Group, 565 Wairakei Road, Burnside, Christchurch 8053
- **Talk to us**: Email haveyoursay@oriongroup.co.nz to arrange a time to discuss your feedback

Please provide your feedback by **15 December 2025.**

Use this QR CODE to visit our consultation website.

Contents

Message from the Chair and Chief Executive

Paul Munro
Chair

Nigel Barbour
Group Chief Executive

At Orion, our commitment is to deliver a safe, reliable, and future-ready electricity network for our community. It's a responsibility we take a lot of pride in, and certainly not one we take lightly. Electricity is an essential service—powering homes, businesses, and vital infrastructure—and its safety and reliability underpin the wellbeing and prosperity of our region.

As we look ahead to 2028–2032, we're inviting you—our customers, partners, and neighbours—to help refine our plans for the next chapter.

Our region is growing, technology is evolving, and the need for resilience has never been greater. That's why we're proposing increased investment to renew and strengthen our network, support new technologies, and ensure we're ready for whatever the future brings. We know affordability matters, and your feedback will help us balance these priorities.

This consultation is the result of extensive engagement with people across our region. Through panels, workshops, surveys and digital and printed material we've sought your valued feedback. Your voices have highlighted what matters most: affordable electricity, safety, reliability, resilience, capacity for growth, and clear, timely communication to keep customers informed about planned and unplanned outages. We're listening, and we want to keep the conversation going.

Thank you for being part of this important process. You are helping us deliver on our purpose to power a cleaner and brighter future with our community. Together, we can build a network that serves our region today and for generations to come.

Paul Munro
Chair

Nigel Barbour
Group Chief Executive

Our proposed investment plan at a glance

Proposed expenditure	What drives our expenditure	What we'll do	What it means for you
$745m	Providing a safe and reliable electricity network	Keep our network safe and reliable by proactively replacing ageing assets at the right time.	A safe and reliable network with unplanned outages remaining at current levels.
$96m	Building network resilience to reduce major outage risk	Strengthen the network to better withstand severe weather and natural disasters, keeping you connected when it matters most.	A stronger, more resilient network that keeps the power on and restores supply quicker after disruption.
$343m	Increasing our ability to support growth	Build a future-ready network that supports population growth and rising demand without compromising safety or reliability.	New customers can connect to the network, and the network can accommodate increasing demand while staying safe and reliable.
$30m	Preparing to meet future needs	Support two-way energy flows and integrate new technologies, enabling greater customer choice and delivering more flexibility in how we meet future needs and demand.	Customers gain more flexibility, choice, and control over how they use, generate, and store electricity. Smarter, flexible solutions help avoid more expensive upgrades.
$93m	Improving capability to drive efficiencies	Upgrade our systems and tools so we can keep the network running smoothly, respond faster to outages, plan ahead and better understand how you use electricity.	Smarter decisions enable the network to operate more efficiently, promoting sustainability and helping keep lines charges affordable.
$308m	Supporting network activities	Ensure we have the people and facilities to plan, operate and maintain our network, and to deliver our proposed investment plan.	An efficient and reliable service supported by the right people and resources.

Why are we consulting on our investment plan?

We want feedback from customers on our investment plans before we submit our customised path proposal to the Commerce Commission. This is an opportunity for you to have your say.

A customised path is a regulatory process which allows us to apply to increase our revenue so we can invest more in the electricity distribution network.

Like most electricity distributors in New Zealand, Orion is regulated by the Commerce Commission. They determine the level of investment, the overall amount we can charge customers each year, and the minimum service quality we must provide. Two types of price-quality path are available – a default price-quality path (default path) or a customised path. The key difference between the two is how revenue and other aspects (e.g. quality standards) are determined:

- Default path - this uses a standardised approach largely based on past spending.
- Customised path - this involves a tailored approach that reflects Orion's specific circumstances. To pursue this path, we must submit a detailed proposal to the Commission, which then undertakes a rigorous review to ensure it delivers good outcomes for customers.

When reviewing our customised path proposal, the Commerce Commission will scrutinise whether our investment plans are prudent, efficient, and in the long-term interests of our customers. Their independent oversight gives customers confidence that our investment plans, and their impact on customer prices, are thoroughly assessed and carefully scrutinised before being approved. They will ultimately determine the revenue we can earn over the customised path period (01 April 2027 to 31 March 2032).

This consultation forms an important part of our application for a customised path. It is a continuation of the engagement process we started last year seeking to understand what matters most to our customers about their electricity supply.

Our customised price-quality path journey

June 2024

Customised path preparation
We launched a comprehensive review of the investment needed to keep our network safe, reliable, and resilient, meeting safety and quality standards and customer expectations.

August 2025 to March 2026

Independent verification
An independent expert, approved by the Commerce Commission, audits our proposed investment plans and provides a report to the Commission.

June 2026

Application lodged
We lodge our customised path application with the Commerce Commission.

March 2027

Final decision
The Commerce Commission makes a final decision on our customised path proposal. They decide our revenue limits and the service measures for the customised path period (FY28-32).

April to May 2025

Consultation on investment approaches
In our 2025 AMP Update we asked for feedback on future investment approaches and what mattered most to customers. This helped guide our investment plans.

November to December 2025

Consultation on our draft proposal
We ask customers, stakeholders and the community for feedback on the investment plans in our draft customised path proposal - this document.

July 2026 to March 2027

Regulatory review
The Commerce Commission evaluates our customised path proposal and asks for feedback.

01 April 2027

Customised path commences
Once approved, Orion starts on its customised path from 01 April 2027.

Why do we need to invest more now?

Applying for a customised path doesn't mean anything has gone wrong, it simply reflects that Orion's circumstances have changed, and the standardised default path is no longer appropriate. The need to invest more now stems from our need to ramp up asset renewals and respond to rapid growth across our region.

Following the Canterbury earthquakes, we prioritised restoring the network and reconnecting customers, which required significant investment. A customised path in 2013 supported this recovery-focused work, and to keep costs down for customers during that time, some long-term asset renewals were deferred. Since then, strong regional growth has shifted our focus to expanding the network, rather than catching up on those deferred renewals.

We've now reached a point where further delay is no longer sustainable. Without additional investment, service quality will decline, and we're conscious of the consequences of underinvestment in infrastructure. Our customers have told us they don't want us to underinvest.

To continue delivering the safe, reliable, and resilient service our community expects, we need to invest more now. We can't afford to kick the can down the road any longer.

This document

This consultation document sets out our proposed customised path plan. It starts with who we are, why increased investment is needed, and what our customers have told us matters most. From there, it outlines our investment plan across five key areas—safety and reliability, resilience, network capacity, future technologies, and efficiency—explaining what we're investing in, how it benefits customers, and what this means for power bills.

Question to keep in mind

To help us understand your needs and priorities, we've included questions on key issues we are seeking your feedback on. You can answer all or some of these questions and provide any other feedback you wish to share. The easiest way to give your feedback is via our Have Your Say consultation website at: **haveyoursay.oriongroup.co.nz**

Finding the right balance

When we make investment decisions, we aim to strike the right balance between cost and service quality, this is known as a price-quality trade-off. It means weighing options like lower prices with fewer upgrades (and a higher risk of outages), versus modest price increases to maintain safety, reliability, and future readiness. It's also about deciding whether to invest now to prepare the network for new technologies, or delay and risk missing out on future benefits.

We use our asset management expertise and understanding of customer needs to guide these decisions, but we want to hear from you. Throughout this document, you'll find questions asking what matters most to you.

Our network

From the Rakaia to the Waimakariri, and Banks Peninsula to Arthur's Pass, Orion owns and operates the electricity distribution network that provides power to Central Waitaha Canterbury.

Our purpose is to power a cleaner, brighter future with our community. Our network extends over 8,000 square kilometres and delivers electricity to more than 229,000 homes, and businesses. It has two distinct regions:

- Region A includes the city of Ōtautahi Christchurch and its suburbs and represents around 6% of our physical network area and 83% of our customers.
- Region B includes the rural areas and regional towns in Banks Peninsula and Selwyn District, representing around 94% of our network area and 17% of our customers.

We are community-owned and have two shareholders – Christchurch City Council, through its subsidiary Christchurch City Holdings Ltd, and Selwyn District Council.

Our network areas

Figure 1: Our network area

How electricity gets to you

To explain our investment plans, it is first useful to outline the electricity system, our role in it, and how it relates to you. New Zealand's energy system comprises different types of businesses working together, including generators, Transpower (the national grid operator), distributors, and retailers.

Orion is an electricity distributor. Our job is to distribute power from the national grid through our network to your homes and businesses. Orion is one of 29 electricity distribution businesses and is the third largest in New Zealand by customer numbers.

New Zealand's energy system

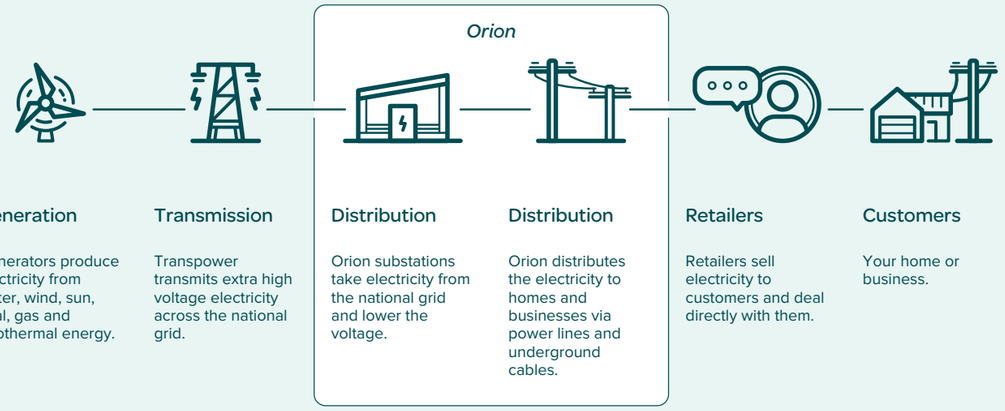


Figure 2: New Zealand's electricity system

How electricity gets to you

Orion builds, maintains and upgrades the substations, poles, power lines, underground cables and other equipment required to deliver power safely and reliably to homes and businesses across our network.

8,000+

Square kilometres of network coverage

5,800

Distribution substations

14,300+

Kilometres of lines and cables

229,000+

Total customer connections

52

Zone substations

4,000+

New customer connections a year

90,000+

Orion power poles

What your electricity bill pays for

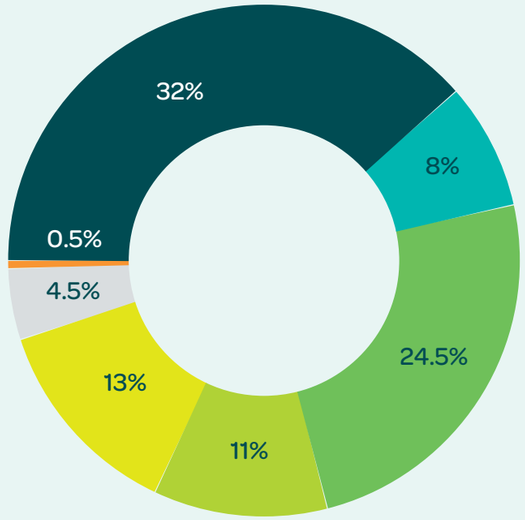
We recover the costs of providing our services through the lines charges included as part of your electricity bill, and through the fees we charge for new customer connections. These allow us to continually invest in our network to support growth and to ensure safety, reliability and resilience.

You may not be familiar with Orion, as your electricity contract will be with your chosen retailer. Your retailer bundles the cost of our line charges (as well as the costs from other businesses in the electricity system) into a single power bill.

Typically, our lines charges represent around 25 cents of each dollar of your power bill. Transpower's charges represent around 8 cents, generation and retail represent around 50 cents, and the remainder covering metering and GST.

Electricity Authority Te Mana Hiko, https://www.ea.govt.nz/your-power/bill/

What your electricity bill pays for



38.5% Generation
This goes towards the cost of generating the electricity you use.

8% Transmission
This cost helps pay for building and maintaining the national grid.

24.5% Distribution
This cost helps pay for building and maintaining the power lines and cables that transport electricity from the national grid to your house.

11% Retail
This cost goes towards paying for the operating costs borne by the retailer you buy your electricity from.

13% GST
This is the Goods and Services Tax (15% of pre-tax amount, 13% of total amount).

4.5% General
This cost goes towards the cost of reading and maintaining your meter, energy efficiency programmes and the day-to-day running of the electricity market.

0.5% Levies
This cost goes towards the organisations who operate the electricity market.

Figure 3: What your power bill pays for

Why we invest in the network

Our purpose is to power a cleaner and brighter future with our community.

Looking ahead, electricity will be central to how our community powers its future, from heating homes and charging vehicles to supporting innovation and local businesses. It's increasingly becoming the energy source of choice.

Over the past year, we've listened closely to our customers and community. The message is clear: our region is growing, our economy is evolving, and the demands on our electricity infrastructure are increasing. They understand we must invest in a network that is safe, reliable, and resilient; one that can support our community today and be ready for tomorrow.

We know our customers expect a dependable supply of electricity – power when and where it's needed. At the same time, we understand the financial pressures many homes and businesses face, and we're committed to keeping electricity affordable.

The way our customers generate, use and store electricity is also changing. Technologies like solar panels, batteries, and electric vehicles are creating a future where electricity flows both ways across the network, from power stations to customers and from customers back into the network. These innovations offer greater flexibility in how we meet demand, helping us avoid costly upgrades and keep prices down.

To deliver on this cleaner and brighter future and respond to the needs and expectations of our community, we've identified five key investment drivers.

What would happen if we didn't increase investment?

If Orion stayed on the default path and didn't increase investment, we would have to delay essential work that's needed now. This would put service quality at risk, and that risk would grow over time. Without additional investment:

- **Reliability would decline**, leading to more frequent and longer outages, and the network could become unsafe. For example, power poles falling down.
- **Resilience wouldn't improve**, meaning severe weather or natural disasters could cause prolonged outages and slow restoration.
- **Growth would be constrained**, making it harder to connect new customers, support regional development, and enable decarbonisation.
- **New technologies would be harder to adopt**, creating barriers to supporting solar, batteries, and electric vehicles, and missing opportunities to use flexible solutions to avoid costly upgrades.
- **Improvement opportunities would be limited**, reducing our ability to reduce costs, improve outage responses, and maintain the reliable service customers expect.
- **Service efficiency would drop** without the right people and resources, compromising safety, reliability, and resilience.

Delaying investment would only make these problems bigger and more expensive to fix later. Our customers tell us they want a safe, reliable, and future-ready network that supports growth and new technologies. That's why we're investing for tomorrow, today.

What our customers have told us so far

We're committed to working closely with our customers, stakeholders, and community to ensure our customised path proposal reflects their needs and priorities.

Key engagement activities

Our goal is to ensure the views and expectations of our customers are accurately and meaningfully reflected in our customised path proposal. We have engaged with customers using four key activity streams to ensure we can capture a diverse range of insights and perspectives.

Customer Advisory Panel	A group of community representatives who share insights on customer needs, supported by an independent advisor.
Powerful Conversations	Interactive workshops where we explore complex topics with customers in a collaborative setting.
Connected Conversations	Engagement with key stakeholders such as major customers, electricity retailers, and community organisations.
Community Conversations	Broader engagement with the wider community through surveys, advertising, our project website, and other communication materials.

Customised path engagement

Our engagement has been guided by our purpose: powering a cleaner and brighter future with our community. The customised path process includes five engagement phases. We've completed early engagement and consultation on our investment approach, and we're now seeking feedback on our draft customised path proposal. Next, we'll refine the proposal based on feedback followed by a final consultation led by the Commerce Commission.

What we've done:

Phase 1 – Early engagement (August 2024 – March 2025)

This research phase focused on understanding our customers, who told us they want us to focus on:

- Keeping the cost of electricity down, now and in the future
- Keeping power safe and reliable
- Providing a network that can withstand major damage after a major event and be repaired quickly
- Supporting growth without compromising reliability for existing customers
- Running the network as efficiently as possible
- Future proofing the network to ensure it remains reliable and can accommodate new technologies and customer choice
- Providing timely, clear and accurate information on outages.

Phase 2 – Consultation (April to October 2025)

In our 2025 Asset Management Plan Update, we asked for feedback on our proposed investment approach. Customers told us that a safe, reliable, and resilient power supply is essential, and most were satisfied with the current level of reliability and want to ensure this is maintained.

When we asked about priorities, customers highlighted the following:

1. A safe and reliable network
2. Resilience to major events like earthquakes or severe weather
3. Capacity to accommodate some growth in demand for electricity
4. Ability to accommodate new technologies
5. Fair and manageable line charges on your power bill

To support these priorities, we presented three investment approaches for consideration.

- A limited approach that kept investment close to default price path levels, helping to minimise price increases
- An accelerated approach with higher investment to build a highly reliable and resilient network.
- A balanced approach, our preferred option, with moderately increased costs, investment to maintain a safe, reliable, and resilient network over time.

Overall, feedback indicated a preference for a balanced approach, suggesting our proposed approach aligns with our customer's priorities.

Where we are now

Phase 3 – Consultation (November 2025 to February 2026)

We're now sharing our draft customised path plan for feedback. This document outlines our proposed investment plan for the future of your electricity network, and we're keen to get feedback.

What's coming up

Phase 4 – Refinement (February – June 2026)

Once we've gathered feedback, we'll use it to shape and refine our final customised path proposal for submission to the Commerce Commission. We'll also explain how customer input has influenced the final plan, or, where changes weren't possible, why that was the case.

Phase 5 – Regulatory review (July to December 2026)

After we submit our proposal, the Commerce Commission will run its own consultation process. This means customers will have another opportunity to share their views before the Commission makes its final decision, expected in March 2027.

What we're seeking feedback on

This consultation focuses on refining our proposed investment plan based on the balanced approach outlined in our 2025 Asset Management Plan Update.

A significant portion of the planned expenditure is critical to maintaining safety, reliability, and resilience—priorities our customers have consistently told us matter most. The Commerce Commission will review this core investment to ensure it is prudent, efficient, and in the long-term interests of customers. Approval will only be granted if these tests are met.

However, there are areas where customer perspectives play a key role in shaping our decisions. We want to understand whether customers value this investment and are willing to support the additional cost. These initiatives include:

- Replacing older 66kV cables to build network resilience
- Reinforcing the low-voltage network to accommodate growth
- Exploring non-network solutions to defer major network upgrades

We outline these programmes in the next section, and your feedback will help us confirm priorities and ensure our plans reflect what matters most. We're also seeking feedback on some of the quality service measures we use to monitor if we're doing a good job.

Further opportunity for feedback

Customer feedback continues to play a vital role in refining our investment plans as we prepare to submit our customised path proposal to the Commerce Commission.

After we submit our proposal in June 2026, you'll have another opportunity to have your say. The Commerce Commission will run its own consultation process, as it determines our customised price path

Key insights

Customer feedback is central to our decisions, not just because engagement is part of the customised path process, but because listening ensures our investment priorities reflect real-world needs.

Every conversation, workshop, and research outcome helps build a more responsive, resilient, and customer-focused electricity network.

Customers consistently tell us they value a safe, reliable and resilient network, while affordability remains critical. They also expect us to plan for growth and be ready for a changing energy future. In short, customers want electricity that's available when they need it, at a fair price, now and for the future.

Our engagement so far has revealed these are our customers' key priorities:

Our proposed plan

In total, we plan to spend approximately 1.615 billion, over the five-years from 01 April 2027 to 31 March 2032 (FY28 – 32). This is around $323 million per year on average.

This is made up of:

- $1.039 billion in capital expenditure - the long-term investments we make in our physical assets; and
- $576 million in operational expenditure - our day-to-day expenditure to run the network and support the delivery of our services.

When we talk about this expenditure, it is in constant FY26 dollars, or today's dollars (i.e. it is not adjusted for forecast inflation). Using constant dollars helps maintain comparability of expenditure over time.

Our customers have told us that affordability is a top priority.

With this in mind, we've reduced our total expenditure from the level outlined in our 2025 Asset Management Plan update. Through updated modelling and cost refinements, we've lowered costs by around $115 million. We've also increased the use of non-network solutions to defer capital investment in zone substations, helping manage costs while maintaining reliability.

Total expenditure under our proposed customised price path

Figure 4: What makes up our proposed customised path expenditure

Table 1: Investing to keep your power safe and reliable Customised path period

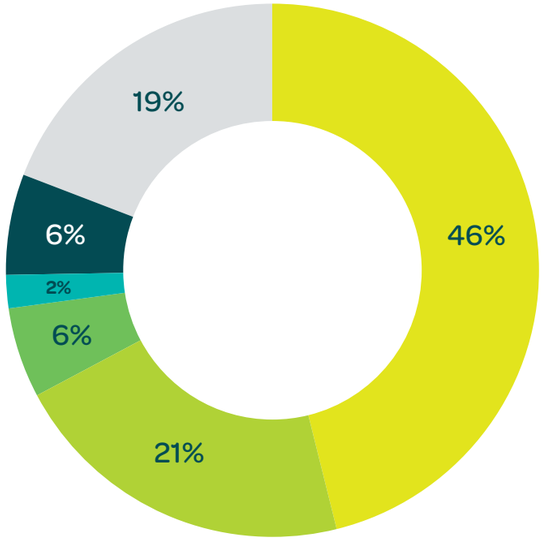
	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	
	Expenditure/year over customised path period					
Capital expenditure	$178mm	$194m	$213m	$230m	$224m	$1.039 billion
Operational expenditure	$108m	$113m	$116m	$121m	$118m	$0.576 billion
Total expenditure	$286m	$307m	$329m	$351m	$343m	$1.615 billion

Notes:
- **Figures approximate to nearest million**
- Expenditure figures in constant FY26 dollars
- Final proposed amounts subject to change based on forecast refinement and consultation outcomes

What we're investing in

Our proposed investment plan reflects what customers have told us matters most: a safe, reliable, and resilient electricity network that can support growth and adapt to future needs.

These priorities form the foundation of our approach. Every area of spend - ramping up asset renewals, increasing network capacity, building resilience, preparing to meet future needs, and driving efficiencies - is carefully considered and interconnected. Together, they form a coordinated strategy to manage risk, support changing customer needs, and deliver long-term value for our community, both now and for the future.



Maintaining safety and reliability
- Replacing aging assets
- Poles and pole mounted hardware (excluding vulnerable poles)
- Steel structures
- Lines
- Cables (exclusive 66kV cable replacement)
- Zone substations
- Distribution switchgear and transformers
- Secondary systems
- Equipment enclosures
- Buildings and grounds
- Reliability, safety and environment
- Vegetation management
- Maintenance

Increasing our network capacity
- 11kV reinforcement
- Low voltage reinforcement
- Large growth projects
- Customer connections
- Asset relocations

Strengthening network resilience
- 66kV cable replacement programme
- Vulnerable poles programme

Preparing for new technologies
- Network transformation

Improving capability to drive efficiencies
- Information communications and technology

Supporting network activities
- Corporate property, tools and equipment
- Support required to enable the business to operate
- Systems operations network support

Figure 6: What makes up our proposed customised path expenditure

Keeping your power safe and reliable by proactively replacing ageing assets at the right time.

Building a future-ready network that supports population growth and rising demand without compromising safety or reliability.

Strengthening the network to better withstand severe weather and natural disasters, keeping you connected when it matters most.

Making the network smarter to support two-way energy flows, and integrate new technologies, such as solar, batteries, and electric vehicles, enabling greater customer choice and delivering more flexibility in how we need future needs and demand.

Upgrading our systems and tools to get better data so we can keep the network running smoothly, respond faster to outages, plan ahead more effectively, and better understand how you use electricity.

Ensuring we have the people and facilities to plan, operate and maintain our network, as well as deliver our proposed investment plan.

Keeping your power safe and reliable

We plan to invest around $745 million to replace ageing assets and manage network risk. This will help keep the network safe and reliable, with unplanned outages staying at current levels.

Our customers have made it clear: safety must never be compromised, and the reliability of our service cannot deteriorate. Safety is non-negotiable, and customers expect our network to remain safe at all times. Electricity is inherently hazardous, which is why the safety of our network, for our people, service providers, and the community, is paramount and drives every investment decision we make. Our investment plan includes essential expenditure to maintain safety standards.

Like all infrastructure, it is only practical to maintain network assets for so long. As they age, and their condition declines, the cost of maintenance and the risk of failure increases. Asset failure can lead to safety risk, as well as unplanned power outages. Having to replace assets after they fail is more disruptive for customers and more expensive than planned replacement. For this reason, we take a proactive approach, renewing ageing assets before costs and risks escalate. This strategy is fundamental to maintaining the safety and reliability of our service.

Proposed investment

Our proposed investment plan is focused on maintaining a safe and reliable electricity supply by proactively replacing ageing assets at the right time. The following table provides a summary of our key investment areas.

Table 2: Investing to keep your power safe and reliable

Proposed expenditure over customised path period		$745 million
% of total expenditure (Totex)		46%
Average expenditure per year over the customised path period		$149 million
Key programmes:	Poles and pole-mounted hardware	$140 million
	Steel structures	$17 million
	Lines	$29 million
	Cables (excluding 66kV cables)	$54 million
	Zone substations	$56 million
	Distribution switchgear and transformers	$64 million
	Secondary systems	$71 million
	Equipment enclosures	$65 million
	Buildings and grounds	$4 million
	Reliability, safety and environment	$33 million
	Vegetation management	$53 million
	Maintenance	$159 million

Notes:
- Figures approximate to nearest million
- The customised path period is from 01 April 2027 to 31 March 2032
- Expenditure figures in constant FY26 dollars
- Final proposed amounts subject to change based on forecast refinement and consultation outcomes

Key programme – pole replacement

We plan to invest around $140 million on the renewal of our pole assets (excluding vulnerable poles which are covered under strengthening the network). This means renewing or replacing power poles, associated cross arms and incidental pole-mounted equipment such as switches, fuses and transformers. While this investment covers full pole replacements, it's important to note that some components, like cross arms, also have their own dedicated renewal programmes.

Our network relies on approximately 90,000 poles, many of which were installed in the 1960s and 1970s. Many of these poles are now nearing the end of their serviceable life and need to be renewed.

Following the Canterbury earthquakes, we prioritised recovery work over routine renewals, repairing the network and keeping costs down for customers. While this was the right decision at the time, it has created a backlog of renewals that now needs to be addressed.

We're also now using smarter asset management inspection and decision-making tools to guide when assets should be replaced to reduce the risk of failure. These tools show that a growing number of poles will reach their ideal replacement age in the coming years.

Under our proposed investment plan, we'll increase our replacement rate from around 850 poles per year to 1,500, a 75% boost. Without this step-up, the risk of longer and more frequent unplanned outages will increase, affecting the safety and reliability of the electricity supply.

Key programme – vegetation management

We plan to invest around $53 million to manage vegetation that could impact the electricity network, especially overhead lines. This means increasing our vegetation management activities to meet new Electricity (Hazards from Trees) Regulations and address the growing risk of severe weather and stronger winds due to climate change.

Our network includes about 6,000 km of overhead lines, many running alongside hedges, shelterbelts, and trees, particularly in rural areas. This poses a significant risk to reliability and safety, as vegetation on lines can cause outages, damage equipment, and create hazards for the public and our crews. Over the last five years (FY21 – FY25), around 16% of unplanned outages were attributed to vegetation. The risk is expected to grow, as warmer and wetter conditions accelerate vegetation growth, and climate change brings higher wind speeds and more frequent storm events.

Meeting the new 'clear to the sky' requirements for certain high-voltage lines, assessing treefall hazards, and removing trees with a high or moderate risk will ensure compliance with regulations and help maintain safety and reliability.

Strengthening the network

We plan to invest around $96 million to strengthen the network so it can better withstand severe weather and natural disasters. This means we'll be able to restore power quicker after a disruption.

Our electricity network is essential infrastructure that our community depends on, especially during and after major events like earthquakes and severe storms.

Central Waitaha Canterbury faces a high seismic risk. While the Alpine Fault lies outside our network area, it still poses a significant threat, with scientific research estimating a 75% chance of a magnitude 8 earthquake within the next 50 years. The potential also exists for significant aftershocks in our region.

Climate change is also increasing the frequency and severity of extreme weather events such as windstorms, flooding, and wildfires, further raising the risk of network damage.

To manage these risks, we're investing in strengthening the network's resilience, reducing the likelihood of major damage and enabling quicker restoration to minimise the impact on customers.

Proposed investment

Our proposed investment plan is focused on strengthening the network to better withstand severe weather and natural disasters, keeping you connected and/or enabling faster restoration when it matters most. The following table provides a summary of our key investment areas.

Table 3: Investing to build network resilience to reduce major outage risk

Expenditure over customised path period		$96 million
% of total expenditure (Totex)		6%
Average expenditure per year over the customised path period		$19 million
	66kV cable replacement/reconfiguration projects: — Oxford-Tuam to Milton cable — Addington to Fendalton cable — Oxford-Tuam to Lancaster cable — Papanui to McFaddens cable — Addington to Armagh cable (planning phase only)	$72 million
	Vulnerable poles	$24 million

Notes:
- Figures approximate to nearest million
- The customised path period is from 01 April 2027 to 31 March 2032
- Expenditure figures in constant FY26 dollars
- Final proposed amounts subject to change based on forecast refinement and consultation outcomes

Key programme - 66kV cable replacement

We plan to invest around $72 million to replace essential 66kV sub-transmission cables that power Christchurch and surrounding suburbs. This means replacing the most at-risk circuits with modern, resilient infrastructure, improving fault management, reducing outage times, and better preparing the city for future earthquakes.

While these cables are still operating now, they are vulnerable to earthquakes, posing a growing risk. Under our investment plan, we aim to replace eight older cables ((two per substation) across key circuits: Oxford-Tuam to Milton, Addington to Fendalton, Oxford-Tuam to Lancaster, Papanui to McFaddens. In addition, we'll begin planning for the replacement of two cables on the Addington–Armagh circuit.

To improve resilience, the new cable configuration will differ from the existing design. By choosing alternative routes and avoiding the placement of two cables in the same trench, we introduce route diversity, reducing vulnerability to contractor damage during roadworks and mitigating risks from earthquake liquefaction and lateral ground movement in specific areas. The map below illustrates the difference between the current and proposed 66kV cable configurations.

Key programme - vulnerable poles

We plan to invest around $24 million to replace vulnerable poles in areas exposed to wildfire and landslip risk. Under our investment plan, we aim to replace around 1,800 of these vulnerable poles each year over the five-year customised path period.

In areas with elevated fire risk, we would progressively replace wooden poles with fire-resistant alternatives. Across the Port Hills and Banks Peninsula, we would upgrade poles installed on steep slopes along three critical lines supplying Diamond Harbour, Duvauchelle, Little River, and Akaroa, for greater stability.

Upgrading these vulnerable poles will make the network more resilient to wildfire and land instability, reduce unplanned outages, and lower the risk to the public, our staff, and contractors from pole failures.

Options for the 66kV cable replacement programme

The Canterbury earthquakes exposed vulnerabilities in older oil-filled cable systems, with several sustaining significant damage. In the event of an Alpine Fault earthquake, we expect multiple faults on these cables, with repairs likely requiring specialist expertise from overseas. This presents a real risk of prolonged outages for homes and businesses. Strengthening these parts of the network is essential to reduce that risk and improve our ability to recover quickly.

Replacing these cables also allows us to transition from a radial network architecture to a meshed one. In a meshed network, power can flow through multiple interconnected paths, enabling better load balancing and greatly enhancing reliability.

Under our proposed investment plan, we intend to replace four of the most vulnerable 66kV cable routes (eight cables in total) at an estimated cost of $72 million, an additional cost to customers of approximately $0.60 per month. Completing this work before the next significant earthquake would greatly reduce the likelihood of outages, minimise reliance on overseas repair crews, enable faster restoration if an outage occurs, and strengthen our ability to support emergency services and other critical infrastructure.

However, there are other options, and we'd like to understand which approach customers prefer:

Option 1: reduced investment

Defer most of the cable replacement programme to outside the customised path period at a total cost of $32 million (around $0.30/month for customers). Only two cables on one key circuit would be replaced, and work would begin on a second route. This option leaves the network less resilient until around FY38, with a higher risk of multiple faults and prolonged outages.

Option 2 – Balanced approach (our proposal):

Invest $72 million during the customised path period (around $0.60/month for customers) to replace the most vulnerable cables across four key circuits. This strikes a balance between cost and resilience reducing the risk of multiple faults and prolonged outages from FY33 onwards.

Option 3 – Accelerated programme:

Replace all older oil-filled cables at a total cost of $118 million (around $1/month for customers). This delivers the strongest network resilience and faster recovery, slightly reducing short-term earthquake risk over the next 5–10 years. However, it requires significant planning, overlapping projects, and additional contractor resources. Compared to the balanced approach, the resilience improvement is modest for the extra cost.

Which option would you prefer?

Building a future-ready network that supports growth

We plan to invest around $343 million to support population and demand growth. This means new customers can keep connecting, and the network can handle rising demand while staying safe and reliable.

As the electricity distribution business for Central Waitaha Canterbury, we play an important role in supporting both the region's economic growth and its transition to a low carbon future. Our customers tell us that accommodating growth is important while also ensuring the network remains safe and reliable.

Central Waitaha Canterbury is a popular place to live and run a business, with the region experiencing strong, sustained growth. The Selwyn District is currently New Zealand's fastest growing. Between 2018 and 2023, its population increased by 29%, compared to just 6.3% growth nationally over the same period. In the year to June 2024 alone, Selwyn's population grew by 3.9%, more than double the national average of 1.7%.

This growth is expected to continue, putting increased pressure on our network to support new connections and meet rising peak demand. Most of this growth will come from the residential sector, alongside expanding commercial and industrial needs. As we decarbonise, electricity will play an even bigger role in transport, heating, cooking, and other everyday uses, further accelerating demand.

Peak demand is the time when electricity use on the network is at its highest, usually when many customers are using electricity at the same time, like on a cold winter morning. The network must be able to handle these occasional peaks, because if it can't, it can cause overloads leading to compromised safety, lower power quality, and unplanned outages. That's why investing in enough capacity to meet peak demand is essential to keeping power safe and reliable.

Building capacity isn't just about upgrading physical infrastructure. By using non-network solutions, like customer-owned battery storage and smart electric vehicle charging, we can manage peak demand, reduce pressure on the network, and reduce the amount we need to invest in network upgrades.

Each year, we receive around 6,000 requests for new connections, resulting in over 4,000 net new customers after accounting for disconnections and alterations. These connections range from homes in new subdivisions to new businesses and upgraded supply as industries decarbonize.

When new customers connect to the network, they contribute to the cost of extending it through an upfront capital contribution. The remaining network connection and upgrade costs are recovered over time through ongoing lines charges.

Our goal is to ensure that all customers pay their fair share, so that growth is not subsidised by existing customers, and everyone benefits from the efficiencies that come with a larger, well-managed network.

Proposed investment

Our proposed investment plan focuses on meeting forecast load growth and supporting the region's shift to low-carbon technologies. Table 4 summarises our key investment areas.

What are non-network solutions?

Non-network solutions are smart, innovative ways to manage electricity demand without building new poles, wires, or substations. Instead, we use technology and flexibility to make the most of the network we already have. Examples include:

- Smart control of appliances like electric vehicle chargers and hot water systems to reduce peak demand.
- Local generation and storage such as solar panels and batteries to support the network
- Demand management programs that encourage shifting electricity use to off-peak times.

Table 4: Investing to build a future-ready network that supports growth

Expenditure over customised path period		$343 million
% of total expenditure (Totex)		21%
Average expenditure per year over the customised path period		$69 million
Key programmes:	11kV reinforcement	$33 million
	Low voltage reinforcement	$76 million
	Large projects: — Lincoln — Halswell — Templeton — Lyttelton — Rolleston — Southbridge	$67 million
	Customer connections	$162 million
	Asset relocations	$5 million

Notes:
- Figures approximate to nearest million
- The customised path period is from 01 April 2027 to 31 March 2032
- Expenditure figures in constant FY26 dollars
- Final proposed amounts subject to change based on forecast refinement and consultation outcomes

Key programme – low voltage reinforcement

We plan to invest around $76 million to reinforce our low voltage network. This means upgrading or installing new distribution transformers, overhead lines, underground cables, and using smart non-network solutions to maintain power quality compliance.

The low voltage network, made of lines, cables and switching points runs though nearly every street in Christchurch. With over 99% of customers relying on the low voltage (400/230V) network, it plays a critical role in delivering electricity to homes and businesses.

As infill housing increases and electrification accelerates, waiting to respond when issues arise will lead to growing power quality problems, especially during cold winters when heating demand puts extra pressure on the system. Without proactive investment, an overloaded low voltage network could constrain the city's growth, limit electric vehicle charging, restrict solar exports, and hold back smart energy solutions, making it harder for Christchurch to transition to a low-carbon future.

Our proposed investment plan includes provision for non-network solutions to help delay the need for low voltage network reinforcement. These solutions, such as customer-owned battery storage, smart electric vehicle charging, and flexible control of appliances like hot water systems, can reduce peak demand and ease pressure on the network, often at similar or lower cost than traditional upgrades.

Right now, these technologies aren't widely available, and the market isn't ready for large-scale adoption. Relying too heavily on them too soon could create challenges, for example, reduced power quality or limits on when customers can charge their electric vehicles. That's why we're taking an ambitious but balanced approach, growing the use of non-network solutions without compromising reliability.

Throughout the customised path period, we plan to steadily increase adoption. By FY29, we expect around 5% of low-voltage constraints to be managed through these solutions, rising to 12.5% by FY32. Our goal is to make smarter use of technology and third-party investment to maintain a reliable power supply while keeping costs down.

Options for low voltage reinforcement

Our low voltage network is the final link in Orion's electricity distribution system, delivering power directly to homes and businesses. Over the past five years, demand on the network has grown rapidly driven by housing infill, urban redevelopment, and increased electrification through technologies like heat pumps and electric vehicle charging. These changes place increasing pressure on the low voltage network, particularly in older parts of Christchurch and the expanding rural towns.

Our analysis shows that around 4% of low voltage networks (530 out of 11,800), are already operating under constrained conditions, with a risk of exceeding design limits or breaching power quality standards. Without intervention, these pressures are expected to grow, especially during winter peaks.

To stay ahead of these challenges, we're proposing a proactive reinforcement programme that combines traditional upgrades with non-network solutions. This approach strengthens the low-voltage network 'just in time', before customers experience any decline in service quality.

However, there are other options, and we'd like to understand which approach customers prefer:

Option 1 - Reactive approach:

Fixing issues only when they arise, such as through smart meter alerts or customer reports. While this may offer a modest cost saving compared to proactive planning (Option 2) and delay some upfront investment, it comes with a higher tolerance for risk, particularly during cold snap peak demand or rapid growth. This approach may also lead to delays in connecting new customers while upgrades are carried out. Additionally, reactive work is generally less efficient and can result in higher long-term costs if constrained areas need to be revisited.

Option 2 - Balanced approach (our proposal):

Combine traditional upgrades with non-network solutions. This option aims to balance cost and reliability at $0.10/month.

Option 3 - Accelerated traditional upgrades:

Prioritise reliability and connectivity at all times. This ensures maximum performance but comes at a higher cost ($0.20/month).

Option 4 - Innovation-focused approach:

The cost is similar to the balanced approach (Option 2) but would support customers investing in new technologies and enable greater customer participation.

Which option would you prefer?

Key project – Lincoln township growth

We plan to invest around $12 million to build a new 33kV zone substation at Greenpark, on the eastern edge of Lincoln, to increase network capacity for the township.

Lincoln is one of the main centres in the fast-growing Selwyn district, with household numbers expected to double by 2043. The centrally located existing Lincoln zone substation is already at capacity, has ageing equipment, and the site is too small for an upgrade. It's also not ideally located to complement the capacity available from the Springston substation to the west of Lincoln and to serve growth as the township expands east and south.

Peak demand at the current substation is forecast to rise by 30% over the next decade. If one of its main transformers were to fail during a period of high demand, the remaining transformer could become overloaded and shut down, causing a major power outage. While power could be restored by returning the failed transformer to service after safety checks, a full replacement would require several days of rolling outages while an emergency spare is installed.

During this changeover, the risk of a second transformer failure would be heightened, as the remaining unit would be operating at full capacity, at a time when it's nearing the end of its serviceable life.

In our investment plan we've made provision for non-network solutions to defer the need for the new substation by one year. These solutions, such as managed battery storage, smart electric vehicle charging, hot water control and other smart appliances, can help reduce peak demand growth. By supporting third-party investment in these technologies, there may be an opportunity to defer network investment at the same or lower cost than traditional network upgrades. Given the pace of growth in Lincoln, we expect that a deferral beyond one year is unlikely.

Building the new Greenpark zone substation will maintain security of supply for Lincoln, ensuring a reliable power supply to meet population and demand growth.

How supportive are you of using non-network solutions to defer the need for a new substation at Lincoln by one year?

Meeting future needs

We plan to invest around $30 million to make the network smarter to support two-way energy flows, and integrate new technologies, such as solar, batteries, and electric vehicles. This will enable greater customer choice and deliver more flexibility in how we meet future needs and demand.

Technology is evolving quickly, and as we move toward a low-carbon future, the way customers use the network is changing too. While uptake of electric vehicles, solar panels, and batteries is still low, it will grow as costs fall, and emissions targets tighten. This means our network won't just deliver electricity, it will also need to take customer-generated energy back to the network. We need to invest now to prepare for these two-way energy flows.

Managing two-way flows is complex, but it can deliver benefits like lower costs and greater flexibility for customers. A well-prepared network will support growth, improve reliability, and potentially reduce the need for costly new infrastructure through flexible solutions. It will take time for new technologies to reach critical scale and it won't remove the need for continued maintenance, replacement and enhancement of the core network.

Preparing to meet future needs will give customers more choice and control over how they generate, use, and store electricity. It will also allow us to leverage new technologies for more flexible solutions, helping avoid expensive upgrades and supporting the transition to a low-carbon economy.

Proposed investment

Our proposed investment plan is focused on upgrading the network to safely integrate new technologies and manage two-way energy flows. The following table provides a summary of our key investment areas.

Table 5: Investing to meet future needs

Expenditure over customised path period		$30 million
% of total expenditure (Totex)		2%
Average expenditure per year over the customised path period		$6 million
	Network transformation – system growth	$7.5 million
	Network transformation - other	$7 million
	Network transformation – systems operation and network support	$13 million
	Network transformation – non-network solutions	$2.5 million

Notes:
- Figures approximate to nearest million
- The customised path period is from 01 April 2027 to 31 March 2032
- Expenditure figures in constant FY26 dollars
- Final proposed amounts subject to change based on forecast refinement and consultation outcomes

Key programme – Network Transformation

We plan to invest around $30 million in our Network Transformation programme to trial and implement new assets, systems, and processes that will make the network future-ready. This programme focuses on three key areas: improving network visibility, non-network solutions and enhancing operations.

As the network becomes more complex with two-way energy flows, we need better visibility to understand what's happening in real time. By using smart tools like sensors, smart meters, telemetry, and advanced analytics, we can monitor performance, spot issues early, provide signals for customer owned technology to support the network to manage peaks, respond faster to outages, and therefore make better use of existing infrastructure. This helps keep power reliable, supports new technologies, and reduces the need for costly upgrades.

As customers change how they generate, use, and store electricity, we're exploring non-network solutions such as battery storage, microgrids, community energy hubs, network automation, and demand-side flexibility services. These innovations aim to improve network resilience and utilisation while giving customers more choice and control.

To enable this, we need to improve operational capability by introducing advanced systems like a Distributed Energy Resource Management System (DERMS) and Low Voltage Distribution Power Flow (LV DPF). DERMS helps us manage and coordinate solar, batteries, and electric vehicle chargers so they work seamlessly with the network. LV DPF is software that models how electricity flows through the low-voltage network, helping us plan capacity, manage outages, and restore power faster. Together, these tools will prepare the network to meet future needs.

Options for non-network solutions

Technology is advancing rapidly, and customer needs and expectations are evolving. To keep pace, we need to make smart investments that prepare the network for the future. A key part of this is enabling non-network solutions, flexible options that can reduce or shift peak demand, defer costly "poles and wires" upgrades, and give customers more control over how they generate, use, and store electricity. These solutions can help lower power costs and improve network utilisation, supporting growth, reliability, and resilience.

Do you agree that enabling non-network solutions is an appropriate way of resolving constraints on the network?

Finding the right balance is critical.

- Overinvesting could mean higher costs for customers, reduced efficiency if demand doesn't grow as expected, and unnecessary complexity.
- Underinvesting risks network constraints, costly upgrades later, and limits on customer choice and new technologies like solar, batteries, and EVs.

By investing at the right level, we can manage uncertainty, and adapt as electricity needs evolve, without overbuilding or falling behind.

Would you prefer we maintain our proposed approach of investing $30 million to ready the network for non-network solutions, or would you prefer we reduced or increased our investment in non-network solutions?

Improving capability to drive efficiencies

We plan to invest around $93 million to upgrade our systems and tools to get better data so we can keep the network running smoothly, respond faster to outages, plan ahead more effectively, and better understand how you use electricity.

We need to keep evolving our digital capability to manage the network efficiently and give customers more choice. Upgrading our technologies, systems, and tools will help us monitor the network in real time, manage assets, plan maintenance, respond to outages, and improve customer service. These upgrades will enable smarter decisions, better services, and greater efficiency, helping the network run more sustainably and keeping power costs as affordable as possible over time.

Proposed investment

Our proposed investment plan is focused on upgrading platforms, systems and tools to improve data quality and decision making. The following table provides a summary of our key investment areas.

Key programme – Information, communications and technology (ICT)

We plan to invest in our data, digital, and technology systems to reduce risk, strengthen our digital capability, unlock network efficiencies, and deliver more value for customers.

In the past, our ICT investments have been reactive, driven by immediate needs, post-earthquake recovery and essential pandemic mobility. We're now entering a capability building phase by moving to a modern, future-ready digital environment focused on proactive lifecycle management and resilience. This transition will make us more agile in responding to a rapidly changing energy landscape, maintain reliability through smarter operations, enable cost savings through automation, enhance customer engagement, and ensure robust security for trust and resilience.

Table 6: Investing to improve efficiency

Expenditure over customised path period		$93 million
% of total expenditure (Totex)		6%
Average expenditure per year over the customised path period		$19 million
What this pays for:	Information, communications and technology	$93 million

Notes:
- Figures approximate to nearest million
- The customised path period is from 01 April 2027 to 31 March 2032
- Expenditure figures in constant FY26 dollars
- Final proposed amounts subject to change based on forecast refinement and consultation outcomes

Supporting network activities

We plan to invest around $308 million to ensure we have the people and facilities to plan, operate and maintain our network, as well as deliver our proposed investment plan.

To continue to successfully plan, operate, and maintain our electricity network, and deliver the proposed investment plan, we must also invest in the people and resources that support it. This includes ensuring we have the right skills, capacity and facilities to manage a growing and increasingly complex network. Without the necessary resources in place, service efficiency would decline, and the safety, reliability, and resilience of the network could be compromised, ultimately impacting the quality of service our customers rely on every day.

Proposed investment

Our proposed investment plan is focused on delivering an efficient and reliable service supported by the right people and resources. The following table provides a summary of our key investment areas.

Table 7: Supporting network activities

Expenditure over customised path period		$308 million
% of total expenditure (Totex)		19%
Average expenditure per year over the customised path period		$62 million
What this pays for:	Corporate property, tools and equipment	$17 million
	Support required to enable the business to operate	$175 million
	System operations network support	$116 million

Notes:
- Figures approximate to nearest million
- The customised path period is from 01 April 2027 to 31 March 2032
- Expenditure figures in constant FY26 dollars
- Final proposed amounts subject to change based on forecast refinement and consultation outcomes

What you would pay?

We know cost matters, so we want to be transparent about what our proposed investment plan could mean for our customers.

You pay for your electricity supply through lines charges included in your power bill. An increase in investment in the network will ultimately flow through to your power bill. Being on the proposed customised path would see an estimated increase in distribution line charges (over the five years FY2028 to FY2032) for an average residential customer of around 45%, compared to 30% if we remain on the default path.

Below are the indicative increases for an average residential customer. Commercial and light industrial customers could expect to see similar levels of increase. For larger or major customers, pricing is typically bespoke, so it's harder to define a typical average.

These figures are indicative only. The actual line charges from April 2027 will depend on the final outcome of the customised path process, the revenue limits set by the Commerce Commission, and how electricity retailers choose to pass on these charges.

Table 8: Indicative lines charges over the customised path period (FY28-32)

Indicative Lines Charges (average/month)	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Under our proposed customised plan					
Residential	$88	$95	$103	$110	$116
Small business	$106	$113	$123	$132	$139
If we stayed on a default pathway					
Residential	$82	$90	$101	$103	$104
Small business	$98	$109	$121	$124	$125
Difference resulting from our customised plan					
Residential	$6	$5	$2	$7	$12
Small business	$8	$4	$2	$8	$13

Notes:
- Indicative average monthly distribution lines charges in constant 2026 dollars
- Amounts are GST exclusive
- The CPP period runs from FY 2028 to FY 2032
- Financial years run from 01 April to 31 March, for example FY 2028 runs from 01 April 2027 to 31 March 2028

Measuring service quality

Delivering a safe, reliable, resilient, future-ready, and efficient electricity network is at the heart of our investment plan.

To make sure we meet customer expectations and keep improving, we track a range of service quality measures. These help us understand how well we keep the power on, how quickly we respond to issues, and how effectively we communicate with customers.

We currently have 25 service quality measures. Some are regulatory or internally focused, but we're seeking general feedback on 11 measures and specific feedback on two measures. The full list is included in Appendix 1.

In this section, we outline the measures most relevant to customers and how they reflect the service you experience every day.

Investment Drivers	Proposed service measures	Annual target	Explanation	Why
Maintaining safety and reliability	Localised reliability hot spots have an approved corrective action within six months of being identified.	3	Customers expect a reliable electricity supply. In areas where performance falls short or outages are more frequent, we aim to have an approved corrective action in place within six months of identifying the issue.	This will ensure customers in less reliable areas see improvements over time, with a response when issues arise.
	Total planned outages where less than 10 working days' notice is given to electricity retailers.	<=20%	Customers expect to be adequately notified of planned outages. We aim to keep the number of planned outages with less than 10 days' notice to under 20%.	This will help ensure customers are well informed with accurate and timely outage notification.
	Validated customer complaints about network power quality issues are resolved within one month of identifying a solution.	>= 90%	Customers expect power quality issues to be resolved quickly once the cause and solution are known. We aim to resolve at least 90% of validated complaints within one month of identifying a fix.	This helps ensure power quality complaints are resolved quickly, reinforcing customer trust in how we manage and respond to issues.
	Proactive identification and resolution of network power quality issues	>= 90%	Customers want confidence that we're actively working to prevent issues before they occur. We aim to proactively identify and resolve more than 90% of network power quality issues.	Tracking proactive fixes shows our commitment to preventing power quality issues before they impact customers.
Maintaining safety and reliability	Awareness of the Orion website.	>= 50%	Customers value easy access to clear, up-to-date information. We aim to increase awareness of the Orion website so that more than 50% of surveyed customers know where to go for accurate updates and support.	Orion's website is a key source of information. Increasing awareness helps ensure customers can easily find the support they need.
	Communicated restoration time for outages is within ±30 minutes of actual restoration.	> 30%	Customers expect accurate outage information. We aim to have at least 30% of outages restored within 30 minutes of the communicated restoration time.	This helps ensure our outage information is accurate and dependable.
	Small-scale generation connections (under 10kW) are approved within 10 working days of receiving a complete application.	100%	Customers value fast and simple connection processes. The Electricity Industry Participation Code requires we approve small generation applications within 10 working days. We aim to meet this requirement by approving 100% of eligible applications within that timeframe.	Tracking approval time helps ensure we support faster connections for small-scale generation technologies.
Improving capability to drive efficiencies	Operational expenditure (opex) per MWh	<NZ	Customers expect us to operate the network efficiently. We aim to keep Orion's opex below the average of similar electricity distribution businesses across New Zealand.	Benchmarking our opex against similar electricity distributors helps us track performance and identify opportunities to improve efficiency.
Preparing for new technologies	Commercial and industrial customers supported to understand their flexible energy capabilities, with outcomes and learnings reported.	10	Customers expect us to operate the network efficiently. Helping large energy users understand and share how they can adjust their electricity use supports a more flexible and efficient network. We aim to support 10 customers a year to understand their capabilities and share learnings.	Helping commercial and industrial customers understand flexible capability means they can avoid causing constraints on the network and costly upgrades.
	Forecasted constraint is shared with flexibility providers	>=3 years for	Customers expect us to operate the network efficiently. Giving flexibility providers early notice of network constraints helps them plan ahead and respond effectively. We aim to provide early visibility of forecasted network constraints, at least three years in advance for subtransmission level, and two years in advance for 11kV and low voltage levels.	Supporting flexibility providers to respond effectively helps reduce the need for costly network upgrades and ensures better use of existing capacity.
Improving capability to drive efficiencies	Number of agencies supporting vulnerable customers engaged	Number - to be set	We recognise that not all customers have equal access to reliable electricity. We aim to engage with agencies that support vulnerable customers. We'll begin tracking this in FY27 to help set a meaningful target in FY28.	Engaging with agencies that support vulnerable customers helps us better understand their needs.

Options for measuring efficiency

Customers expect us to operate the network efficiently. We aim to keep our operating costs (per unit of electricity delivered) below the average for electricity distributors of a similar size, such as Wellington Electricity, Unison in Hawkes Bay and WEL Network in Waikato.

How efficient should Orion be?

Option 1 – Orion should remain below the average for electricity distributors of a similar size.

Option 2 – Orion should rank among the top-performing, most efficient networks compared to similar-sized distributors.

Option 3 – Efficiency matters less as long as we provide a reliable service at a fair price.

Which option would you prefer?

Options for localised reliability improvements

Customers expect a reliable electricity supply, but the experience can vary depending on network design, location, and asset condition. For reliability improvements we'll focus on localised areas where we know the network should be performing better, but we'd like to know where we should focus additional effort. In areas where performance falls short or outages are more frequent, we aim to have an approved corrective action in place within six months of identifying the issue. Now we'd like your input:

Where should we focus our additional efforts?

- Option 1: Areas where a few customers are impacted frequently
- Option 2: Areas where many customers are impacted occasionally

Which option would you prefer?

Have Your Say

Your input is essential to help us shape a customised path proposal that meets your needs.

We want to ensure you have a say in:

- Our investment plan.
- How our investment plan might affect the lines charge on your power bill.
- The benefits and trade-offs involved in our investment plan.

The Commerce Commission will also be interested in understanding your perspectives.

A question to keep in mind

Under our proposed customised path plan, we will invest $1.615 billion over the five-year customised path period (FY28-32) to ensure the electricity network remains safe, reliable, and resilient, can support growth and is future-fit.

Do you support our proposed investment plan?

How to tell us what you think

The easiest way for you to let us know your views is via our Have Your Say consultation website at: haveyoursay.oriongroup.co.nz/cpp

If you'd prefer to send us an email, write to haveyoursay@oriongroup.co.nz, or you can send a letter to us at: The Orion Group, 565 Wairakei Road, Burnside, Christchurch 8053.

If you want to talk to someone about our investment approach, email haveyoursay@oriongroup.co.nz to make a time to share your feedback with us personally.

Please provide your feedback by 15 December 2025.

Appendix 1
Full set of proposed service quality measures

Investment Drivers	Proposed service measures	Annual target	Explanation	Why
Maintaining reliability Strengthening network resilience	Planned and unplanned SAIDI.	SAIDI planned target < 23.83 SAIDI unplanned target < 63.14	Customers expect the electricity network to be reliable. SAIDI (System Average Interruption Duration Index) measures the average total duration of power outages, in minutes, experienced by customers in a year. These targets are set by the Commerce Commission under current regulatory regime. We are proposing these targets to remain the same.	This helps track how reliable the electricity supply is for customers and identify areas for improvement.
	Unplanned outages restored within 3 hours.	>60%	Customers rely on electricity and expect outages to be restored quickly. We aim to restore on average, more than 60% of unplanned outages caused within three hours.	This will reduce disruption and reinforce customer trust in how we manage and respond to outages.
	Localised reliability hot spots have an approved corrective action within six months of being identified.	3	Customers expect a reliable electricity supply. Reliability can vary depending on network design, location, and asset condition. In areas where performance falls short or outages are more frequent, we aim to have an approved corrective action in place within six months of identifying the issue.	This will ensure customers in less reliable areas see improvements over time, with a response when issues arise.
	Total planned outages where less than 10 working days' notice is given to electricity retailers.	<=20%	Customers expect to be adequately notified of planned outages. Planned SAIDI is counted at half its impact when advance notice of an outage is given, such as notifying electricity retailers at least 10 working days ahead. We aim to keep the number of planned outages with less than 10 days' notice to under 20%.	This will help ensure customers are well informed with accurate and timely outage notification.
	Validated customer complaints about network power quality issues are resolved within one month of identifying a solution.	>= 90%	Customers expect power quality issues to be resolved quickly once the cause and solution are known. We aim to resolve at least 90% of validated complaints within one month of identifying a fix.	This helps ensure power quality complaints are resolved quickly, reinforcing customer trust in how we manage and respond to issues.
	Timeframe for responding to customer complaints about network power quality issues after they are logged.	<= 5 working days	Customers value quick acknowledgement and clear communication. We aim to respond to customer complaints about power quality issues within five working days.	Tracking response times helps ensure we stay responsive and transparent throughout the resolution process.
	Proactive identification and resolution of network power quality issues	>= 90%	Customers want confidence that we're actively working to prevent issues before they occur. We aim to proactively identify and resolve more than 90% of network power quality issues.	Tracking proactive fixes shows our commitment to preventing power quality issues before they impact customers.

Investment Drivers	Proposed service measures	Annual target	Explanation	Why
Maintaining safety	Serious incidents involving Orion Group employees	<= 4	Our people, service providers and community expect the network to be safe. We are committed to providing a safe work environment around our assets. We take all practical steps to minimise the risk of harm. We set strict performance targets: aiming for fewer than four serious incidents per year involving our team or service providers, and less than one serious incident per year involving the public.	By making safety a top priority, we protect lives, reduce risk, and ensure the network remains secure and reliable for everyone.
	Serious incidents involving service providers	<= 4		
	Serious incidents involving public	<= 1		
Maintaining reliability Improving capability to drive efficiencies	Customer experience - ratings of service received.	>8 out of 10	Customers value clear, timely communication and easy access to support when interacting with their electricity distributor. We aim to have an average customer experience rating of at least 8 out of 10.	Our customers matter and measuring how well we're meeting their expectations helps us improve our service and deliver what they need.
	Customer experience - ease of doing business with us.	>8 out of 10		
	Awareness of the Orion website.	>= 50%	Customers value easy access to clear, up-to-date information. We aim to increase awareness of the Orion website so that more than 50% of surveyed customers know where to go for accurate updates and support.	Orion's website is a key source of information. Increasing awareness helps ensure customers can easily find the support they need.
	Communicated restoration time for outages is within ±30 minutes of actual restoration.	> 30%	Customers expect accurate outage information. We aim to have at least 30% of outages restored within 30 minutes of the communicated restoration time.	This helps ensure our outage information is accurate and dependable.
	Small-scale generation connections (under 10kW) are approved within 10 working days of receiving a complete application.	100%	Customers value fast and simple connection processes. The Electricity Industry Participation Code requires we approve small generation applications within 10 working days. We aim to meet this requirement by approving 100% of eligible applications within that timeframe.	Tracking approval time helps ensure we support faster connections for small-scale generation technologies.
Environmental sustainability	SF6 gas lost	<0.8%		
	Grams CO2e per MWh delivered – excludes distribution losses	<200g		

Appendix 1
Full set of proposed service quality measures (cont.)

Investment Drivers	Proposed service measures	Annual target	Explanation	Why
Improving capability to drive efficiencies	Operational expenditure (opex) per MWh	<NZ comparator group average	Customers expect us to operate the network efficiently. We aim to keep Orion's opex below the average of similar electricity distribution businesses across New Zealand.	Benchmarking our opex against similar electricity distributors helps us track performance and identify opportunities to improve efficiency.
	Average load compared to firm capacity for zone substations	% to be set	Customers expect us to operate the network efficiently. This measure compares how much electricity is typically flowing through a zone substation (average load) with how much it can safely handle at maximum (firm capacity)	Tracking how we use existing network capacity while maintaining a secure electricity supply helps us operate efficiently and avoid costly network upgrades.
	Peak load compared to firm capacity for zone substations	% to be set	Customers expect us to operate the network efficiently. This measure is used to assess how close a zone substation is to operating to its maximum safe capacity during peak periods.	
Preparing for new technologies	Commercial and industrial customers supported to understand their flexible energy capabilities, with outcomes and learnings reported.	10	Customers expect us to operate the network efficiently. Helping large energy users understand and share how they can adjust their electricity use supports a more flexible and efficient network. We aim to support 10 customers a year to understand their capabilities and share learnings.	Helping commercial and industrial customers understand flexible capability means they can avoid causing constraints on the network and costly upgrades.
	Forecasted constraint is shared with flexibility providers	>=3 years for constraints at the sub-transmission and zone substation level >=2 years for constraints on the 11kV and low voltage level	Customers expect us to operate the network efficiently. Giving flexibility providers early notice of network constraints helps them plan ahead and respond effectively. We aim to provide early visibility of forecasted network constraints, at least three years in advance for subtransmission level, and two years in advance for 11kV and low voltage levels.	Supporting flexibility providers to respond effectively helps reduce the need for costly network upgrades and ensures better use of existing capacity.
	Duration (hrs/ICP) of residential customer DER export curtailment due to network constraints Duration (hrs/ICP) of residential customer DER export curtailment due to network constraints	Maximum duration - to be set	Customers expect choice in how they generate, use and store electricity. Customers who invest in solar panels or other distributed energy resources (DERs) want confidence that they can export the energy they generate. We'll begin tracking this in FY27 to help set a meaningful target in FY28, aligned with our Congestion Management Policy.	Customers want to get the most from their DER investments. Tracking curtailment helps us identify where the network may be limiting export, so we can improve access and participation.
Improving capability to drive efficiencies	Number of agencies supporting vulnerable customers engaged	Number - to be set	We recognise that not all customers have equal access to reliable electricity. We aim to engage with agencies that support vulnerable customers. We'll begin tracking this in FY27 to help set a meaningful target in FY28.	Engaging with agencies that support vulnerable customers helps us better understand their needs.

[3] Curtailment can be quantified as the difference between the amount a customer's DER is allowed to export and the theoretical potential output of the installed DER if no network constraint was present. We consider curtailment to have occurred when a customer's point of connection exceeds 253V and PQ response mode kicks in or when export remains at the export limit for a 30-minute trading period

[4] Unless contractually agreed with the customer for a greater level of curtailment

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