

New Connections and Extensions Policy

Version 31 March 2026



Quality Statement

Alpine Energy manages the electricity distribution network to communities in the South Canterbury region. We provide distribution services to over 34,000 connections from the Rangitata River in the north, the Waitaki River in the south, and the East Coast to Mount Cook in the west. Our purpose is to provide a secure and reliable electricity supply in South Canterbury through quality energy delivery and infrastructure asset ownership and management.

Version Control

Version Number	Amendment Details	Date of Amendment	Amended By
1	Initial Document	22 July 2010	Andrew Tombs
2	Amendments to policy	3 November 2011	Daniel Roos
3	All pages amended	10 February 2014	Stephen Small
4	Amendments and additions	10 April 2016	Tony Pieromaldi
5	All pages amended	November 2021	Hayden Darling
6	Amendments to document to comply with pricing changes to the Code and improve clarity	31 March 2026	Keith Scoles

This policy is to be reviewed by 31 March 2027.

Responsibilities

Responsibilities for this guide are tabled below.

Responsibility	Title
Approval	Chief Executive Officer
Owner	Customer Commercial Manager
Reviewer	Chief Customer and Strategy Officer

Approval


Formally adopted by	Signature
Chief Executive Officer	 Caroline Ovenstone

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1. Purpose

This policy outlines the commercial terms that apply for new connections and extensions to the Alpine Energy electricity distribution network (our network).

It is designed to be easy to understand, and in line with the Electricity Authority's *Distribution Pricing Practice Note, Second Edition (2022)* and Part 6B of the Electricity Participation Code (the Code) - Connection Pricing Requirements.

2. Scope

Customers connect to our network through an installation control point (ICP). All customers require an ICP to connect their premises to our network.

We require Customers to pay fees and/or a capital contribution when establishing a new connection or extending an existing connection. This ensures the costs of new connections are shared equitably and that existing customers don't subsidise new ones. This policy aims to ensure that we will reflect the economic costs of new connections and extensions through the application of efficient pricing policies.

If you're installing solar panels, batteries, or other distributed generation, you'll need to follow the separate process under Part 6 of the Electricity Participation Code 2010. See our **Generating Electricity** web page for details.

If you are a Distributed Energy customer and require to install solar generation beyond your current network capacity, you will be required to submit a new network application as well as a Distributed Energy Application.

3. Objectives of our policy

We have developed our policy under the following objectives:

- a) the addition of a new connection or extension must not create a disbenefit to existing customers now or in the future.
- b) the addition of a new connection or extension should benefit existing customers as the new connection or extension will contribute towards the recovery of shared costs and assets via our line's charges.
- c) the cost of providing new connection services should be determined using an incremental or avoidable cost approach that identifies the costs attributable to the new connection or extension in a manner that is fair and reasonable.
- d) capital contributions should incentivise network utilisation and disincentivise inefficient construction, e.g., discourage gold plating the network.

We believe that our capital contributions approach described in this policy is consistent with the Electricity Authority Pricing Principles included in Appendix A.

4. Definitions and Abbreviations

Here are the main terms and abbreviations we use in this policy:

Term	Definition
Connection charge	(a) any price, fee, tariff, charge or other similar monetary impost or cost, or any part of any price, fee, tariff, charge, or other similar monetary impost or cost and that is, either directly or indirectly, imposed or required, or agreed by a distributor in relation to connection works for a connection applicant or is otherwise applied for the purposes of, or has the effect of, recovering connection works costs directly or indirectly from a connection applicant; (b) excludes any connection fees or pioneer scheme contributions
Capital contribution	Means the money or monetary value or other considerations charged or received from a Customer or another party to fund a new connection or network enhancement that is in addition to and separate from any ongoing revenue through our lines charges.
Customer	Means the persons, whether incorporated or not, currently connected or applying for a new connection or extension onto our network.
Dedicated assets	Means the discrete investment in electricity distribution network assets that cannot readily be used by other customers connected to the Alpine Energy network.
Customer Selected Enhancement	any improvement to the relevant minimum scheme requested, and agreed to in writing, by a connection applicant
Minimum scheme	the least-cost solution for any connection works provided by a distributor, including for security and firmness of capacity, in accordance with the distributor's connection and operation standards or a lower standard if agreed to in writing between the connection applicant and the distributor.
Network Extension	Means the expansion, upgrade, increase, addition to, removal, relocation, or enhancement of any part of our electricity distribution network that would otherwise not be required but for the requirements of the new connection service. An Extension may involve allocating existing spare capacity to remain consistent with the levels applied prior to the new connection service.
Lines charges	Means Alpine Energy's published prices in its annual Pricing Schedule, a copy is available on our website at Alpine Energy - Pricing methodology.
Posted Connection charge	a standard connection charge that is published by a distributor that applies to any connection of a type that meet requirements specified by the distributor
Pioneer Scheme	Refer to our Pioneer Scheme Policy

Abbreviations used in this policy

Term	Definition
Code	Electricity Participation Code 2010
EA	Electricity Authority
EDB	Electricity distribution business
ICP	Installation control point (customer connection)
kW	Kilowatt, i.e., 1000 watts
MEP	Meter Equipment Provider
ROI	Record of inspection

5. Related policies and documents

The related policies and documents associated with this New Connections and Extensions Policy include:

- Alpine Energy's *Network Connection or Alteration Request*¹
- Alpine Energy's *Connection Pricing Policy*
- Alpine Energy's *Pioneer Scheme Policy*
- Alpine Energy's *Pricing Methodology and Pricing Schedule*
- Electricity (Safety) Regulations 2010 ²
- Electrical Codes of Practice ³

¹ A copy of the application is available on our website at [Alpine Energy - Download a network application](#)

² Can be found on the New Zealand Legislation website at [Electricity \(Safety\) Regulations 2010 \(SR 2010/36\) Schedule 2 Electrical codes of practice and official standards cited in these regulations - New Zealand Legislation](#)

³ Can be found on the Worksafe website at [Electrical codes of practice | WorkSafe](#)

6. Types of Connection Applications

We classify connection applications as **Standard, Non-Standard or Complex**. This helps set expectations for timeframes, costs, and the level of design or planning required.

The Customer is responsible for:

- the electrical installation, including the provision and installation of the cable to the network connection point; and
- paying a capital contribution based on this policy

Alpine will assess the extension or network enhancement needs on a case-by-case basis and more information about how we calculate the capital contribution payable for new connections and extensions can be found in Section 6

Generally, a connection application process will have the following stages requiring a varying degree of work based on their level of complexity.

Standard Applications (typically up to 60 Amps [45kVA] or less) A standard application has minimal optioneering, and no network study requirements and typically low voltage, up to 60 amps. Standard Applications are covered by our posted rates as detailed in Appendix C.

Non-Standard (typically up to 100 Amps [69kVA] or less) A non- standard application has minimal optioneering and network study needs and typically low voltage, up to 100 amps. Not covered by our posted rates and managed as a small project and will be quoted.

Non-Standard - Complex (typically greater than 100Amps [69kVA]) A complex application requires additional work by Alpine and/or other service providers, to analyse information, assess network, scope options and complete studies. Project size or technical criteria may also qualify a project as needing additional work. Not covered by our posted rates and managed as a larger more complex project and will be quoted.

7. Calculation of connection charges

We will assess all complex connections and apply specific costs to determine the required capital contribution for non-standard connections and extensions.

This could include:

- Extension charges: charges related to providing a connection or increase in security or capacity.
- Network Capacity Charges: A payment towards costs of increasing capacity in the shared network. Note: Alpine Energy does not currently apply Network Capacity Charges. From 1 April 2027 we will be applying these charges in line the new connection pricing requirements set out in the Code.
- Charges for transmission works: Charges for works to establish a new grid connection, increase security or capacity of grid connection assets or otherwise alter grid connection assets to accommodate a new or altered connection.

Administrative fees and charges may also apply, including:

- Distributed Generation application fees
- Inspection fee
- Additional metering equipment costs
- Network outage planning and switching
- Fees from retailer

7.1. Connection cost allocation

In line with our Connection Pricing Policy, when determining the connection charges for a new connection or any increase in security or capacity for a customer, we will:

- Determine connection charges based on the minimum scheme (i.e the least-cost technically acceptable solution);
- allocate customer-selected enhancements (in addition to the costs of the minimum scheme) if these are agreed in writing with the customer;
- not allocate any distributor-selected enhancement costs to the customer

In some circumstances we may apply an alternative cost allocation, when agreed in writing with a customer.

Where posted connection charges apply these will be considered the minimum scheme. More detail can be found in our Standard Connection Pricing Schedule (Appendix C),

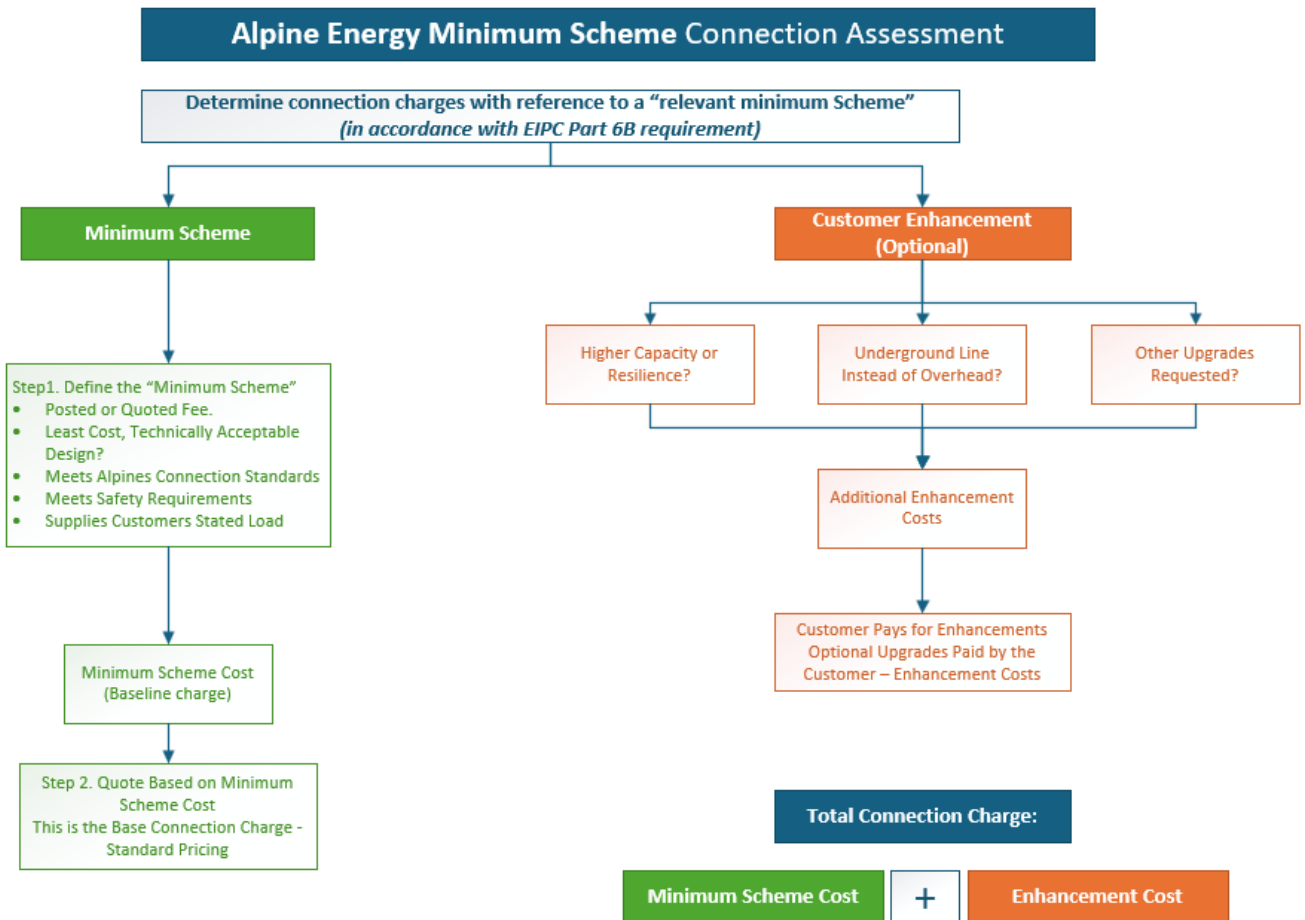


Figure 1 - Minimum Scheme Assessment

A practical application flowchart is provided in Appendix B - Practical Application Example.

7.2. Network enhancements

We may elect to augment the network to a greater extent than the new connection or extension applicant requires. This may arise due to the economies of scale in procuring, installing, or operating the new assets.

Costs associated with this work will be considered distributor-selected enhancement costs and will not be allocated to the customer. Alpine Energy does not currently require connecting customers to pay costs toward consuming or adding capacity to the shared network.

From 1 April 2027 we will be applying Network Capacity Costs. These will be set in accordance with part 6B.5 of the Code.

7.3. Connection Charge Reconciliation

All connection charges will be calculated in accordance with our Connection Pricing Policy, and the Part 6B of the Code.

When providing a quote for connection charges in respect of any connection works, we will either provide a written connection charge reconciliation or notify the connection applicant of their right to request a written connection charge reconciliation.

See our Connection Pricing Policy for more detail on the Connection Charge Reconciliation

8. Pioneer Schemes

Where a new customer funds a significant network extension, we set up a Pioneer Scheme to ensure that subsequent connecting customers of that extension reimburse a share of that cost to the first customer (Pioneer). We administer the Pioneer Schemes by collecting a contribution from the new connection and providing a refund to the existing connection.

Pioneer schemes do not apply to cases of subdivisions.

The Pioneer Scheme arrangements are described in detail in our Pioneer Scheme Policy, available on our website.⁴

9. Ownership and Regulatory Accounting

The payment of a connection charge by the Customer does not amount to a right or claim to the ownership of any electricity distribution assets associated with the new connection or extension. To avoid doubt, all electricity distribution assets, whether located on public land or private, remain the property of Alpine Energy Limited unless the customer has made specific arrangements with Alpine to retain ownership of assets.

Alpine Energy does not recoup a return on, or of an asset that has been funded through a customer contribution by way of lines charge revenue. This is effected by subtracting the value of customer contributions for relevant assets from the value of the asset used for regulatory accounting.

10. Land and easements

Network extensions often require new land or easements. Unless specifically stated otherwise, we require the Customer to ensure that all necessary land or easements have been obtained to accommodate the network connection. The negotiation and costs associated with these easements are the customer's responsibility. Contact us for more information on easements.

11. Approved contractors

A Customer can complete the works for their new connection or extension using an Alpine Energy approved network contractor. By prior agreement preparatory work (e.g., trenching, civil work, reinstatement, and duct laying) can be carried out before we attend the site by an approved network contractor.

For safety, technical and environmental reasons, the following works may only be carried out by a contractor of our choosing:

- enhancement of the electricity distribution network
- the design and construction of any part of the connection assets within an Alpine Energy bulk supply or zone substation
- the design and construction of switchgear and protection that will form part of our direct network system

⁴ <https://www.alpineenergy.co.nz/customers/getting-connected>

- the testing, commissioning, and energisation of works.

In these cases, we will undertake the works and recover the costs from the customer through the applicable capital contribution.

12. Relocated dwellings

We treat re-established connections and connections to relocated dwellings as a new connection. All requests for re-established connections and new connections to dwellings that have been relocated are made using our Application for Network Connection. It is the applicant's responsibility to present the cable to the network connection point.

13. Temporary connections

We treat temporary connections as a new connection. All requests for temporary connections are made using our Application for Network Connection. It is the applicant's responsibility to present the cable to the network connection point.

14. Design variations

Capital contributions for standard new connections and extensions are based on the technical requirements for a new connection or extension to our network, and the capital contributions schedule published on our website. Where practicable, we will accommodate design enhancements or variations where the Customer pays for the difference between the works prescribed in the capital contributions schedule and additional administration fees based on the work required to meet the Customer's request.

Design variation may require us to treat the new connection or extension as a non-standard connection. We reserve the right to determine the category of the connection request based on the merits of the design variation.

15. Credit rating, quotes and deposits

Credit Rating: we may perform credit worthiness checks of a customer at our discretion before proceeding with an assessment or works.

Quotes: all quotes produced by us are valid for 30 days from the date of issue.

Deposits:

Value < \$15,000 (excl GST)	Full payment on signing contract
Value > \$15,000 (excl GST)	Either <ul style="list-style-type: none"> - 50% of quoted price on signing contract - Bank guarantee/Letter of Credit

Physical connection will be made to our network only when we are satisfied that all appropriate monies have been paid (including any variations) and conditions met. Full payment is a condition of the supply of electricity.

16. Disputes process

Should a dispute arise between us and a customer, or another party to the new connection and extension we will manage the dispute in line with our complaints process.

First, we will confirm with you that you are making a formal complaint, rather than simply wanting to talk through a service issue with us. Then if a complaint is laid, we will acknowledge the complaint within 2 working days. We will answer your complaint within 20 working days

Complaints are important to us as they provide us with vital feedback on which we can base our continuous improvement. Complaints can be lodged on our website at Alpine Energy - Compliments and complaints process or by calling on 03 687 4300.

If we can't resolve your complaint, you can contact Utilities Disputes Ltd, formerly known as the Electricity and Gas Complaints Commissioner, on <http://www.utilitiesdisputes.co.nz> or 0800 22 33 40.

Appendix A – Electricity Authority Distribution Pricing Principles

Alpine pricing complies with the EA's Distribution Pricing Principles 2019 and Practice Note, Second Edition, 2022 which can be found at [Distribution pricing | Electricity Authority](#). These requirements are addressed below and aim to provide reliable and affordable electricity supply for customers.

- (a) Prices are to signal the economic costs or service provision, including by:
 - i. being subsidy-free (equal to or greater than the avoidable costs, and less than or equal to standalone costs);
 - ii. reflecting the impacts of network use on economic costs;
 - iii. reflecting differences in-network service provided to (or by) customers; and
 - iv. encouraging efficient network alternatives.
- (b) Where prices that signal economic costs would under-recover target revenues, the shortfall should be made up by prices that least distort network use.
- (c) Prices should be responsive to the requirements and circumstances of end-users by allowing negotiation to:
 - i. reflect the economic value of services; and
 - ii. enable price/quality trade-offs.
 - iii. Development of prices should be transparent and have regard to transaction costs, customer impacts, and uptake incentives.
 - iv. This is further broken down to provide a practical view where it impacts on our actual cost to the customer for the customer.

Appendix B - Practical Application Example

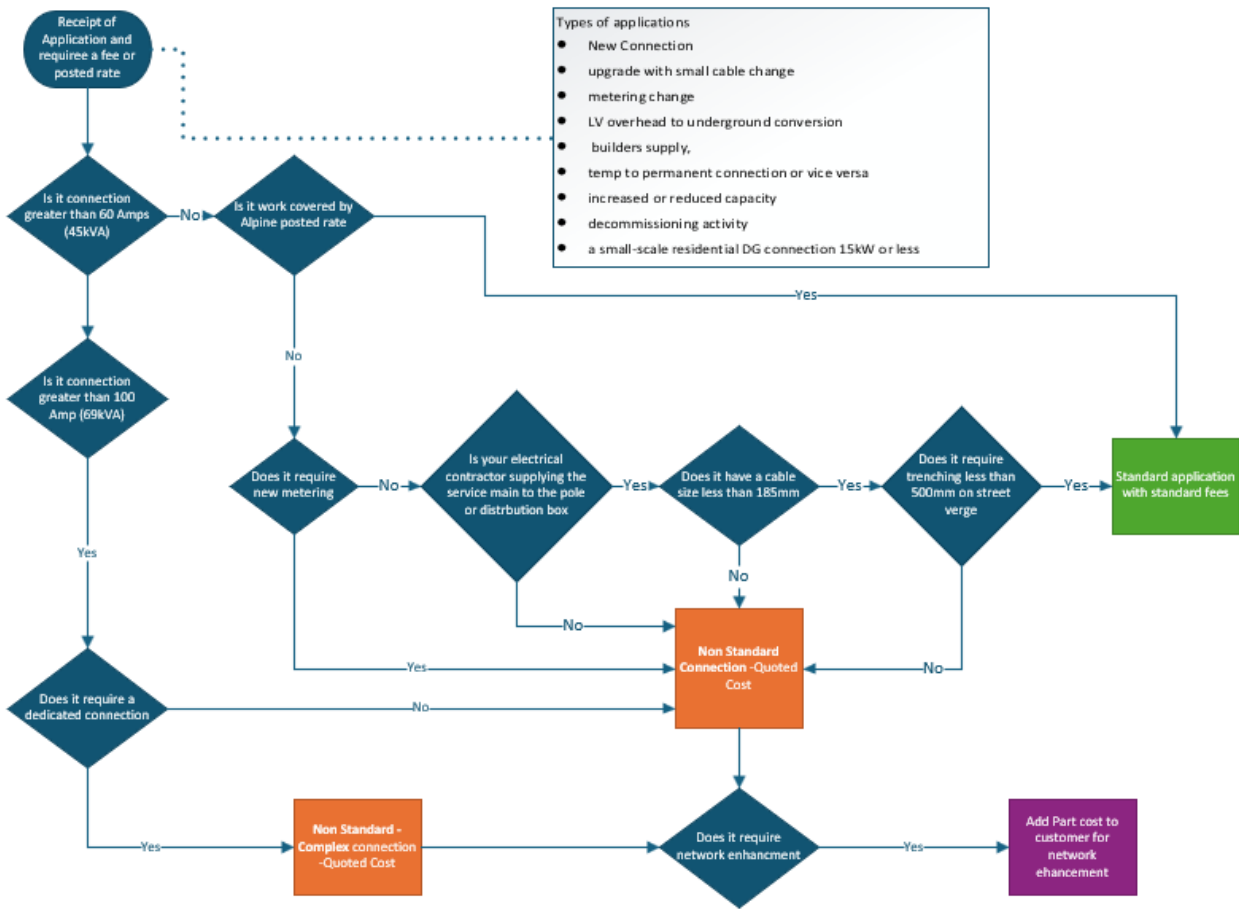


Figure 2- Practical Application Flow Chart

Appendix C - Standard Connection Pricing Schedule

Standard Connection Charges (Cable to Pole / Cable to Distribution Box)		
<p>Connections to existing connectable network up to 45kVA in rated capacity and located less than 0.4m from the customers boundary to the network distribution box or pole where the customer has supplied the service cable to the point of network connection and includes;</p> <ul style="list-style-type: none"> • Cable to pole • Cable to distribution box • Simple overhead to underground asset relocations • Streetlight connections. 		
Connection Type	Posted Connection Charges	
	Single Phase	Three phase
Standard Connection including tails for aluminium up to 185mm ²	\$550	\$900
Standard Connection including tails for aluminium up to 185mm ² and trenching up to 0.5m in footpath on street verge	\$700	\$1050
ICP Establishment Fee	\$300	
Includes	<ul style="list-style-type: none"> • Administrative cost for application • Cost for connection on site 	
Excludes	<ul style="list-style-type: none"> • GST • Distributed Generation application fees • Inspection fee • Additional metering equipment costs • Fees from retailer • Additional network side or medium voltage equipment, transformers, upgrades to distribution boxes or poles • Service Cabling to point of connection • Network outage planning and switching • Cabling greater than 185mm² and /or greater than 0.5m trenching 	

