

3 General Definitions

In this **transmission pricing methodology**, unless the context otherwise requires—

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effective pricing year means, for a **benefit-based charge adjustment event**, the first pricing year that starts after the end of the **financial year** during which **Transpower** determines the **benefit-based charge adjustment event** occurred

Commented [SG1]: This means the effective pricing year for a benefit-based charge adjustment event that occurs during financial year X/X+1 will be pricing year X+2/X+3.

75 Adjustment Events

(1) Subject to subclause (4), **Transpower** determines when an **adjustment event** occurs

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(1A) This **transmission pricing methodology**—

- (a) as it was before amendment by the [name of amending instrument] applies to any **benefit-based charge adjustment event** that occurred or occurs before 1 July 2026; and
- (b) as it is after amendment by the [name of amending instrument] applies to any **benefit-based charge adjustment event** that occurred or occurs on or after 1 July 2026.

Deleted: is deemed to have occurred on the date **Transpower** has actual knowledge, and is reasonably satisfied, that the **adjustment event** has occurred, regardless of when the **adjustment event** actually occurred

Commented [SG3]: This sets a clear date for changing from the current (non-batched) methodology to the proposed (batched) methodology.

(2) Except as otherwise stated in this **transmission pricing methodology**, if an **adjustment event** occurs, **Transpower** must adjust relevant **transmission charges** from the date of the **adjustment event**, if necessary on a pro rata basis for the **event pricing year** depending on when the **adjustment event** occurred during the **event pricing year**.

(3) If **adjustment events** affecting the same **transmission charge** occur simultaneously, **Transpower** must, to the extent necessary, determine an order in which the **adjustment events** will be deemed to have occurred for the purpose of adjusting the **transmission charge**.

Commented [SG4]: For batched benefit-based charge adjustment events, which are deemed to happen simultaneously, ordering is not necessary.

(4) Subject to subclauses (6) and (7), if a **pre-start adjustment event** for a **post-2019 BBI** has occurred, **Transpower** must treat the **pre-start adjustment event** as a **benefit-based charge adjustment event** that occurred or will occur at the start of the **post-2019 BBI's start pricing year** and—

- (a) if **Transpower** determines it is reasonably practicable to do so, factor the **pre-start adjustment event** into its calculation of relevant **transmission charges** from the start of the **post-2019 BBI's start pricing year**; or
- (b) otherwise, process the **pre-start adjustment event** as a **benefit-based charge adjustment event** in accordance with clause 81A.

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81A Timing of Adjustments for Benefit-based Charge Adjustment Events

(1) Subject to subclauses (2) and (3), for the purpose of adjusting **benefit-based charges** in response to a **benefit-based charge adjustment event**, the **benefit-based charge adjustment event** is deemed to have occurred—

- (a) at the start of the **benefit-based charge adjustment event's effective pricing year**; and
- (b) simultaneously with all other **benefit-based charge adjustment events** deemed to have occurred at the start of that **effective pricing year**.

Commented [SG5]: This delays the deemed effective date for batched benefit-based charge adjustment events to the start of the effective pricing year. A consequence of this is that there are no wash-ups back to when the individual adjustment events happened.

(2) Subclause (1) does not apply to the **benefit-based charge adjustment events** in paragraphs 81(1)(j), 81(1)(k) and 81(1)(ll).

Commented [SG6]: This excludes sale of business adjustment events (so the timing of adjustments to all of the vendor's and purchaser's charges is consistent), voluntary under-recovery (because **Transpower** can choose the pricing year(s) in which it under-recovers), and SSCGU (which already only takes effect for a future pricing year, i.e. the SSCGU's "start pricing year").

(3) For the purpose of adjusting **benefit-based charges** in response to the **benefit-based charge adjustment event** in paragraph 81(1)(c), the **benefit-based charge adjustment event** is deemed to have occurred immediately for the exiting **customer** (but not for any other **customer**).

Commented [SG7]: This means an exiting customer's charges will end immediately.

(4) To avoid doubt, subclause (3) does not apply to any notional exiting **customer**.

Commented [SG8]: This clarifies that notional customer exits (for large plant disconnection and analogous events short of customer exit) are batched.

(5) For the purpose of applying paragraph 83(3)(d), 83(5C)(c) or 83(6)(b) or subparagraph 84(3)(a)(ii) to 2 or more **benefit-based charge adjustment events** deemed to have occurred simultaneously under subclause (1)—

- (a) the variable CA in paragraph 83(3)(d), 83(5C)(c) or 83(6)(b), as applicable, is the total of all new **customers'** and notional new **customers'** **BBI customer allocations** for the relevant **BBI**; and
- (b) the variable CA in subparagraph 84(3)(a)(ii) is the total of all notional exiting **customers'** **BBI customer allocations** for the relevant **BBI**.

Commented [SG9]: This addresses the need for the single customer drafting in the adjustment factor provisions to be read as multiple customer drafting for batched benefit-based charge adjustment events.

82 Benefit-based Charge Adjustment Event: Material Damage

(1) This clause 82 applies in the case of the **benefit-based charge adjustment event** in paragraph 81(1)(a).

(2) In this clause 82, a relevant **pricing year** is—

- (a) ~~[Revoked]~~
- (b) each **pricing year** from and including the **benefit-based charge adjustment event's effective pricing year** for which a **write-down** due to the **material damage** is not reflected in the **RAB values** or **values of commissioned asset** used to calculate the **BBI's covered cost** for the **pricing year**.

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(3) Subject to subclause (4), **Transpower** must, for each relevant **pricing year**—

- (a) reduce the **BBI's covered cost** by an amount determined by **Transpower** to reflect a reasonable **write-down** of the **BBI** due to the **material damage**; and
- (b) calculate or re-calculate (as the case may be) all **beneficiaries' benefit-based charges** for the **BBI** based on the reduction of the **BBI's covered cost** under paragraph (a).

Deleted: **Transpower** is not required to (but may) start a **beneficiary's monthly benefit-based charge** calculated under paragraph (3)(b) during, or from the start of, an **exempt pricing year** for the **beneficiary**. However, any over-recovery of the **BBI's covered cost** for the **exempt pricing year** (accounting for the **material damage**) must be rebated, as appropriate, to the **beneficiaries** (other than any causing **beneficiary**) by way of an adjustment to their **transmission charges**—

(4) If a **beneficiary** (the causing **beneficiary**) caused, or contributed to the cause of, the **material damage**, subclause (3) does not apply to the causing **beneficiary's benefit-based charge** for the **BBI**.

Deleted: (a) if reasonably practicable, at the end of the **exempt pricing year**; or¶
(b) otherwise, as soon as reasonably practicable during the next **pricing year**.¶

(5) ~~[Revoked]~~

Deleted: **Transpower** must not increase any **transmission charges** for the event **pricing year** as a consequence of applying subclause (3)

(6) ~~[Revoked]~~

Deleted: **Transpower** must start the new **customer's monthly benefit-based charges** calculated under paragraph (3)(e) or (6)(c) as soon as reasonably practicable. The new **customer's monthly benefit-based charges** may include an adjustment as necessary to ensure the new **customer** pays its full **benefit-based charge** for each **BBI** from the date the new **customer** connected to the **grid**.

83 Benefit-based Charge Adjustment Event: New Customer

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(10) ~~[Revoked]~~

(11) ~~[Revoked]~~

Deleted: **Transpower** is not required to (but may) start any other **beneficiary's monthly benefit-based charges** re-calculated under paragraph (3)(e) or (6)(c) during, or from the start of, an **exempt pricing year** for the **beneficiary**. However, any over-recovery of the **benefit-based charge** for a **BBI** and **exempt pricing year** resulting from the start of the new **customer's monthly benefit-based charge** for the **BBI** must be rebated, as appropriate, to the other **beneficiaries** by way of an adjustment to their **transmission charges**—

84 Benefit-based Charge Adjustment Event: Exiting Customer

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Deleted: (a) if reasonably practicable, at the end of the **exempt pricing year**; or¶
(b) otherwise, as soon as reasonably practicable during the next **pricing year**.¶

(3) Subject to subclause (7), **Transpower**—

- (a) must, for each relevant **BBI**—
- (i) make the exiting **customer's BBI customer allocation** and **benefit-based charge** for the relevant **BBI** 0; and
 - (ii) scale up all remaining **beneficiaries' BBI customer allocations** for the relevant **BBI** by a factor (F) calculated as follows:

$$F = \frac{1}{1 - CA}$$

where CA is the exiting **customer's BBI customer allocation** for the relevant **BBI** immediately before it was set to 0 under subparagraph (i); and

- (iii) re-calculate all remaining **beneficiaries' benefit-based charges** for the relevant **BBI** based on the remaining **beneficiaries' BBI customer allocations** calculated under subparagraph (ii); and

(b) *[Revoked]*

Deleted: must not increase—

Deleted: (i) the remaining **beneficiaries' benefit-based charges** for the relevant **BBI** and **event pricing year**; or¶
(ii) any other **transmission charges** for the **event pricing year**.¶
as a consequence of applying subparagraph (a)(i).¶