



Overview of the TPM

The Electricity Authority's Transmission Pricing Methodology (TPM) sets the way Transpower calculates transmission charges to recover the annual cost of running the National Grid. The amount of revenue Transpower recovers under the TPM is set by the Commerce Commission. Transpower charges its directly connected transmission customers (generators, local lines companies and industrial users who directly connect to the grid).

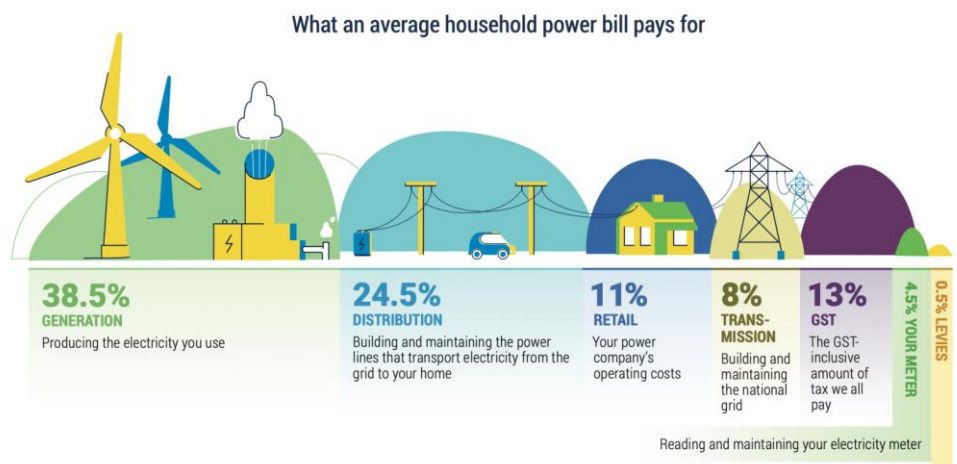
The current TPM has applied since 1 April 2023.

Under the TPM, transmission charges are allocated to Transpower's customers via a benefit-based system. In a benefit-based system, those that are expected to benefit most from the current and future investment pay the costs. The TPM has been designed to reflect the costs and expected benefits of electricity transported across Transpower's 12,000 kilometres of transmission lines.

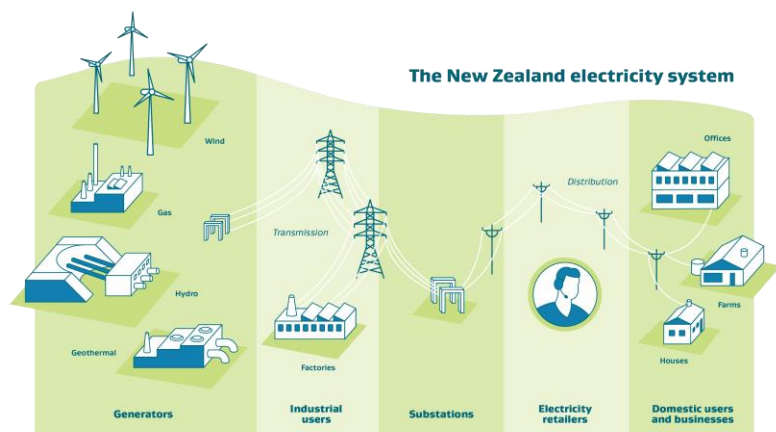
Local lines companies choose how they pass through transmission charges to their customers (primarily electricity retailers) by re-packaging them into distribution charges.

Retailers then re-package distribution charges, along with wholesale energy and other costs, into the final pricing they offer consumers.

Transmission charges are now typically about 8% of a household electricity bill



[Electricity Authority, 2025](#)



[Ministry of Business, Innovation & Employment, 2023](#)