Connections and complaints

Information disclosure: additional information

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1. Introduction

In order to meet the new Information Disclosure (ID) requirements implemented part of Tranche 1 of the Targeted ID Review we are publishing this document which provides additional information to Vector's 2023 Asset Management Plan (AMP) on our Connections and Complaints practices.

The Electricity Distribution ID Determination 2012 (Consolidated 18 May 2023)[1] paragraph 17 requires EDBs to provide qualitative information in narrative form. In addition to what we disclosed in our 2023 AMPs we are providing narrative information in relation to:

- *Para. 17.4: "A description of the EDB's practices for connecting consumers"*

- *Para. 17.3.2: "The EDB's approach to planning and managing customer complaint resolution"*

2. Connections

2.1 Vector's approach to planning and managing connections

When a new electricity connection is requested, the first thing we do is to install a connection supply point - this is where our network connects to the customer's private service line. Once we have done this, or the supply point is already available, we will, on request from the customer, provide a unique installation control point number (ICP) and organise the livening of the connection with the customer's power retailer.

At Vector we deal with all different types of connections. Depending on the size, the type and the complexity – we manage our connections in various ways. All of the processes are outlined on our website. In this document we describe our approach to new connections and alterations providing insight into our connections' practices.

2.1.1 Simple connection

A 'simple connection supply point' is where only a quote is required, but not an easement, and can usually be completed in approximately 6-8 weeks.

Pricing

Development contribution

When a new connection is added to the electricity network, the connecting party is required to pay a contribution towards the capital investment Vector makes in the infrastructure that supports overall network growth. This development contribution is in addition to paying the cost of the connection at the point of supply.

[1] https://comcom.govt.nz/__data/assets/pdf_file/0018/316323/Electricity-Distribution-Information-Disclosure-Determination-2012.pdf

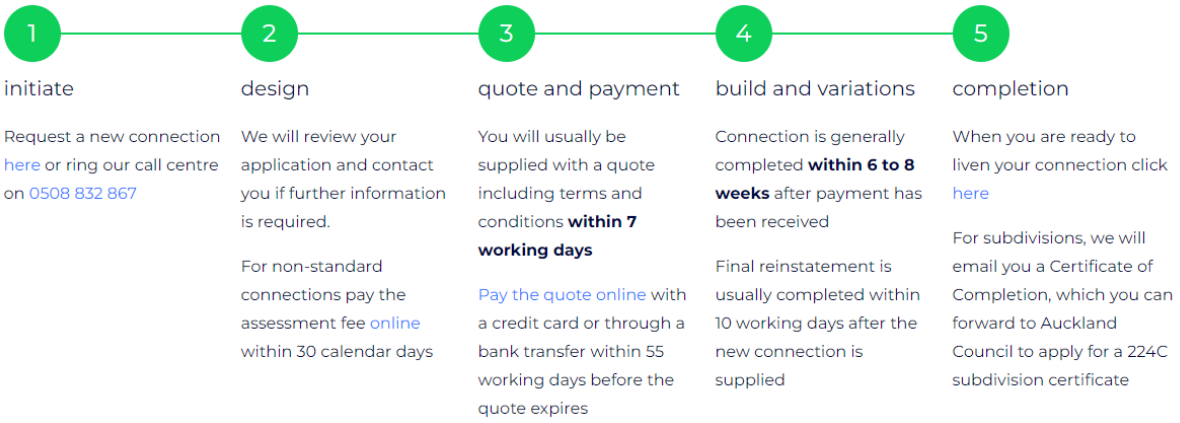
Assessment fee

For non-standard simple connections, the customer pays an assessment fee to recover the costs we incur when preparing a detailed quote.

Standard connection prices

We offer several standard connection options, each subject to certain criteria and our terms and conditions which can be found on our website[2].

Process[3]



2.1.2 Complex connection

A ‘complex connection supply point’ is where the job requires a customer works agreement and easements, if applicable. These jobs generally have longer timeframes as they are more complex.

Pricing

Design fee

For complex connections, the customer pays a design fee to recover the cost we incur when preparing a detailed design. The design fee costs may vary depending on the scope of works

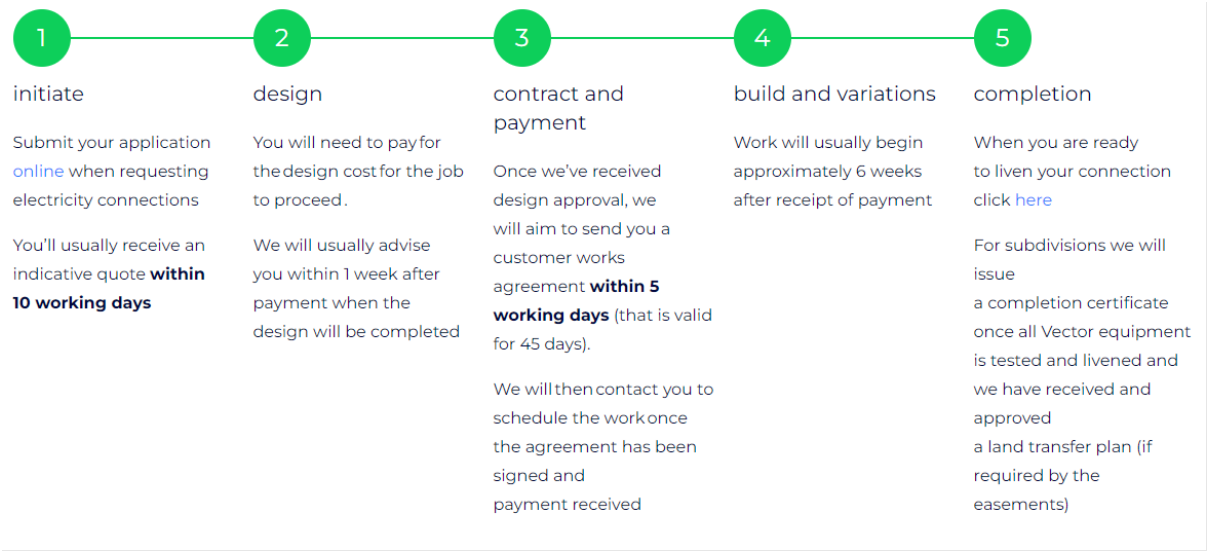
Development contribution

When a new connection is added to the electricity network, the connecting party is required to pay a contribution towards the capital investment Vector makes in the infrastructure that supports overall network growth. This development contribution is in addition to paying the full cost of the connection at the point of supply.

[2] https://www.vector.co.nz/personal/electricity/new-connection/simple

[3] For full access to the links within the process flow click here https://www.vector.co.nz/personal/electricity/new-connection/simple

Process[4]



2.1.3 Connection livening

Before a connection can be livened, the connecting party needs to organise the installation of their service line with their electrician. Please note that the service line within the private property is owned by the property owner.

Process[5]

2.1.4 Builder's temporary supply

A Builder's Temporary Supply (BTS) is a temporary power supply for builders or other tradespeople working at a site that does not have an existing electricity supply.

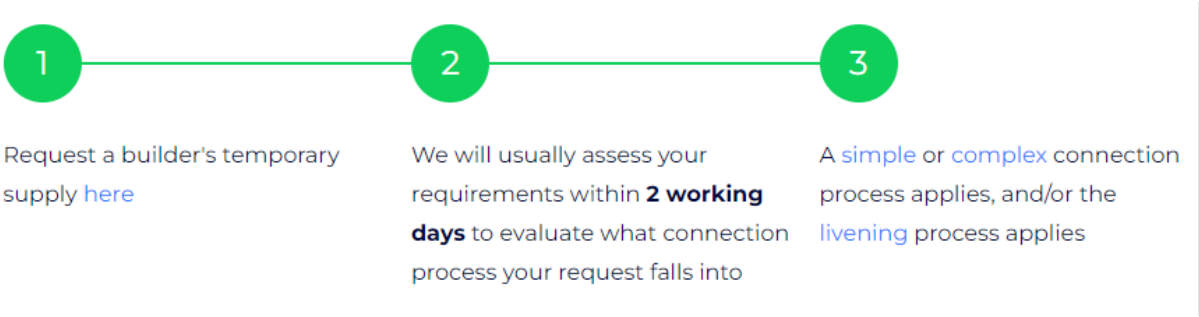
[4] For full access to the links within the process flow click here https://www.vector.co.nz/personal/electricity/new-connection/complex

[5] For full access to the links within the process flow click here https://www.vector.co.nz/personal/electricity/new-connection/livening

Organising a BTS can be as simple as allocating an Installation Control Point (ICP) number to a site, but it can also be as complex as installing a new electricity connection with a temporary transformer to power heavy machinery like a crane.

Once work at the site is complete, the BTS connection can be either disconnected or upgraded to a permanent supply.

Process[6]



2.1.5 Capacity upgrades and downgrades

Upgrades

A connection might require additional capacity to accommodate changes in machinery, appliances or other electrical equipment on the property.

It is important that the connecting party engages a registered electrical contractor who understands the equipment that they are installing and advises of the electrical load required.

Vector will assess the requirements and check whether there is enough capacity available on our network. We will ask the connecting party to pay for upgrading the supply.

Downgrades

The electricity capacity requirements may change at a connection when there is:

- removal of appliances;
- a change to appliances (for instance, if they switch to more energy efficient appliances);
- alternate energy sources like gas or solar added; and/or
- splitting of the capacity with another ICP.

Pricing

When a capacity upgrade is requested, a contribution is required to be paid towards the capital investment Vector makes in the infrastructure that supports overall network growth. This development contribution is in addition to paying the full cost of the upgrade works.

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[6] For full access to the links within the process flow click here https://www.vector.co.nz/personal/electricity/new-connection/builders-temporary-supply

For capacity upgrades and downgrades, the customer will pay an assessment or design fee to enable us to recover the cost we incur when preparing a detailed quote.

2.1.6 Permanent changes to Vector equipment

This is a request to move a pole, modify or remove our network assets, or underground existing Vector overhead cables or the connection supply point.

Pricing

For simple changes to Vector's equipment the party requesting the change will pay an assessment fee to recover the costs we incur when preparing a detailed quote.

For complex changes the requesting party will pay a design fee to recover the costs we incur when preparing a detailed design. Design fee costs may vary depending on the scope of works.

2.1.7 Temporary relocation of Vector equipment

Our overhead network lines might be in the way sometimes if someone wants to move tall machinery or structures to a work site. A temporary disconnection or relocation of these lines or a line drop can be requested.

This request might require for us to temporarily shut down power for one or more of our customers. We have required notification periods for these types of planned outages, so requests need to be at least 20 working days in advance of the works being required.

2.1.8 Distributed power generation (solar, wind, vehicle-to-grid)

Distributed power generation refers to a variety of technologies, such as solar panels, wind turbines and bi-directional electric vehicle charging e.g. vehicle-to-grid (V2G) that generate electricity and are:

- connected, or proposed to be connected, to our network; and
- capable of injecting electricity into our distribution network.

Usually, when excess electricity is not used, it is passed back into the electricity network. This has a wide range of implications, including safety, network performance, service quality, investment in the network and commercial agreements.

Therefore, customers must let us know when they are:

- connecting this type of power generation technology to our network;
- increasing the capacity of an existing power generating system; and
- removing an existing power generation system from our network.

If generation is to be connected to Vector's network, then it must comply with our requirements.

Note: Distributed generation is governed by the Electricity Industry Participation Code 2010 (the Code).

The types of applications are for:

1. 10kW or less: typically installed in homes and small businesses
2. More than 10kW: typically used by larger businesses

Once an application is approved, unless otherwise agreed, the connection will be governed by the regulated terms (Schedule 6.2) and our Congestion Policy.

If the installation is unsafe, non-compliant, or the application is incomplete, we reserve the right to disconnect the point of connection to our network until the installation is either remedied or disconnected

2.1.9 Connecting battery storage

Step 1: Before applying the applicant must check the inverter that they are installing has been pre-approved for connection to our network. If the inverter to be used is not on our approved list, the application may take longer to process.

Step 2: The applicant can apply using our application form found on our website. The application form must be completed by the property owner, or a person authorised to act as their Agent.
Within two business days of receiving the application, we will acknowledge (in writing) and send a reference number.

Step 3: Within 10 business days of receiving the application we will review and advise in writing if the application is approved. If the application is delayed because of incomplete information, we will notify you to provide us with the outstanding information within 10 business days.

Step 4: Within 10 business days of receiving our approval to connect the battery, the equipment must be tested and inspected by a suitably qualified person who can issue a Certificate of Compliance (e.g. a qualified electrician). The customer must also give us two business days' notice of the testing and inspection date as we may want to send a qualified person to observe.

2.2 Connections practices

2.2.1 Cost of connecting

Vector's distribution prices and capital contributions are designed, in line with Pricing Principles published by the Electricity Authority, to efficiently recover the cost of the existing electricity distribution network and the cost of new investments in the distribution network as it grows through (as below) collectively referred to in this policy as consumer connection / sole use assets:

- the addition of new connections;
- the augmentation of existing connections;

- the addition of new sole use assets; or
- the augmentation of existing sole use assets.

As Vector's capital resources are limited it must prioritise its expenditure, consequently investing in consumer connection / sole use assets results in existing consumers helping to fund these new assets. The adding of consumer connection / sole use assets over time requires additional shared assets to be added to the network. Vector therefore requires consumers to fund their consumer connection / sole use assets directly via a consumer connections / sole use asset capital contribution and to partially fund additional shared assets via a growth asset capital contribution. In combination they are referred to as capital contributions. For details of our capital contributions policy please refer to our website[7].

Certain new connections to Vector's network require a low level of technical input in order to connect each new consumer, as they are generally of the same technical requirements. Based on this, Vector has standardised new connection prices for eligible consumers into a schedule of standard prices. These prices have been determined based on a review of the costs of connecting a significant number of historical new connections that meet the technical criteria.

The schedule of prices and eligibility criteria Vector applies to standard new connections are published on Vector's website.

In some circumstances the applicant may undertake some of the work that would otherwise be covered by the capital contribution. Vector may allow consumers or the applicant to undertake the preparatory work using appropriately trained and qualified personnel familiar with Vector's standards and requirements prior to Vector installing the new electricity infrastructure. Preparatory work includes by way of example, trenching and or civil work, reinstatement and laying of duct.

2.2.2 Communications with customers

<u>Simple connections</u>

For simple connections we use three methods of communication:

- Auto notifications at specific stage gates of the process;
- Via our Contact Centre which has a dedicated team to answer connection queries; and/or
- Via our Connections team email for ad hoc customer questions.

<u>Complex connections</u>

For complex connections we have dedicated project contacts:

- Our Contract Advisor and Delivery Advisor from Vector;
- A Design Estimator and Project Manager from our Field Service Provider; and

[7] https://www.vector.co.nz/about-us/regulatory/disclosures-electricity/capital-contributions

- Our dedicated team inboxes for general queries and dedicated team phone numbers.

2.2.3 Commonly encountered delays, issues

The process, costs, and timeframes may vary depending on a number of factors, including:

- The type of network connection supply point required - which depends on the available capacity;
- The number of connections you require and whether the connections are temporary or permanent;
- The available capacity as well as fuse and phase requirements (your electrician will provide these details);
- Whether an easement is required to allow gas and electricity equipment owned by Vector to be installed and to remain on private property. An easement provides us with ongoing access and maintenance rights in respect of that equipment;
- The conditions of the work site and the complexity of the job;
- Vector's current work volumes;
- When traffic management services are next available (as these are managed by third parties) and the availability of equipment required; and
- Other technical, legal, regulatory and administrative factors (including resource constraints).

3. Complaints

Vector manages complaints in an efficient and pragmatic manner balancing legitimate customer concerns with Vector's long-term interests. The principal areas of complaints are:

- Planned outages: Planned outages include programmed maintenance; project works and customer-initiated connections;
- Network reliability: Trees on lines, general unplanned disruption;
- Other combined: includes location of assets, self-service, quality of work, timelines, response times, driving etc;
- Communication and information;
- Connection costs, business rules; and
- Network damage to private assets.

3.1 Managing complaints

Complaints are lodged through various channels including the contact centre (primarily), online social media, emails, surveys, and letters. Customers receive an automated acknowledgement email or physical letter confirming their complaint has been received and a copy of the "Vector Disputes Resolution Process" (see section 3.3) is provided. Our disputes resolution process aligns with the expectations set out in the Energy Complaints Scheme document (as administered by Utilities Disputes formerly the Electricity and Gas Complaints Commissioner or EGCC).

Some complex complaints require time for investigation. Customers are updated if a resolution timeframe requires extension. Some complaints, and technical inquiries can be complex and may require site visits or specialist investigation.

Other complaints are concerning the breach of Vector's published electricity service standards for both Residential and Business/Commercial. These standards provide guidelines of targeted power quality and service interruption standards as well as providing compensation for breaches of certain standards ("service guarantee payments"). These service guarantee payments are paid directly to customers reactively as part of our complaint resolution process.

3.2 Utilities Disputes Limited (UDL)

Utilities Disputes Limited is an independent external complaints resolution service whose purpose is to resolve complaints about Providers who provide goods or services in the Utilities Sector. Their objectives are to provide complainants with access to a dispute's resolution scheme. There is no cost to the complainant for this service, however Vector must be given the opportunity to resolve the complaint prior to a customer engaging UDL.

3.3 Internal complaints process

The diagram below is the internal process followed which includes trend analysis to resolution.