

Annual Price-setting Compliance Statement

Assessment Period: 1 April 2025 – 31 March 2026



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Summary

Powerco is required to report on how price-setting complies with its price path

This is Powerco's annual price-setting compliance statement (Statement), which demonstrates that forecast revenue from prices is less than forecast allowable revenue for the year beginning 1 April 2025.

The Statement is part of many disclosure requirements Powerco Limited (Powerco) undertakes as an electricity distributor regulated by the Commerce Commission. Powerco's electricity distribution business is subject to regulation under the Commerce Act 1986, which is managed by the Commerce Commission (Commission). For the year beginning April 2025, Powerco is subject to the default price-quality path (DPP), the requirements of the DPP apply for the five years (1 April 2025 to 31 March 2030) as set out in the DPP Determination¹.

One of the Determination's disclosure requirements involves publishing this statement to demonstrate that forecast revenue from prices is less than forecast allowable revenue. This statement relates to the year beginning 1 April 2025, which is the first assessment of price-setting compliance covered by the Determination.

Powerco, in respect of the first assessment period of the DPP regulatory period, complies with the price path in clause 8.3 for the assessment period 1 April 2025 – 31 March 2026

The remainder of this Statement demonstrates how Powerco's price-setting is compliant with the requirements in the Determination. It shows Powerco's calculations of forecast revenue from prices and forecast allowable revenue along with supporting information for all components of these calculations. Appendix A provides the Determination's compliance requirements and references the relevant information included in this Statement.

Powerco prepared and approved this statement on the 26 March 2025. This Statement was published on 31 March 2025 on Powerco's website, www.Powerco.co.nz.

A copy is available on request or at Powerco's principal office: 35 Junction Street, New Plymouth 4312.

Any comments or suggestions regarding the Annual Price-Setting Compliance Statement can be made via <https://www.powerco.co.nz/contact>

or to

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¹ [Electricity Distribution Services Default Price-Quality Path Determination 2025](#)

Compliance assessment

This section demonstrates compliance with clauses 11.1-11.3 of the Determination, which outline the requirements for this annual price-setting compliance statement. For presentation purposes, the tables set out in this report are aggregates of the price and quantity information for each price group. While the dollar balances are rounded to the nearest thousand dollars, the underlying compliance calculations assess the whole number.

2.1 Price path compliance

Compliance with the forecast price path is demonstrated when **forecast revenue from prices (FRt)** does not exceed **forecast allowable revenue (FARt)** for the assessment period.

Table 1: Price path results for this assessment period

Requirement	FR ₂₀₂₆	≤	FAR ₂₀₂₆
Powerco's result (\$000)	564,735	≤	564,736

Powerco complies with the forecast price path requirement

2.2 Forecast revenue from prices

Forecast revenue from prices is calculated in accordance with Clause 3.1.1 (2) of the Input Methodologies Determination (IM)² meaning forecast revenue used to set **prices**, where forecast revenue is the total of each **price** multiplied by each forecast **quantity**, plus any other revenue forecast to be received under a **large connection contract**, plus any forecast of other regulated income.

A summary of Powerco’s forecast revenue from prices is provided in Table 2. Appendix B includes the full table of prices and forecast quantities for the 2025 pricing year.

Table 2: Calculating Powerco’s forecast revenue from prices (FR_t)

$$FR_{2026} = \sum(P_{2026} \times Q_{\text{forecast } 2026}) + LLC_{2026} + ORI_{2026}$$

Forecast revenue from prices	Total (\$000)
Forecast revenue (PxQ)	578,660
Forecast large connection contract revenue ³	0
Forecast other regulated income	(13,925)
FR₂₀₂₆	564,735

The Determination requires forecast revenue from prices to be demonstrably reasonable.

Table 3 illustrates that forecast growth in the factors that determine quantity continue to approximately align with historical growth data at a regional level. The methodology and outputs are provided in more detail at Appendix C.

Table 3: 2026 regional forecasts align with historical growth

Region	Connections		Volume (GWh)	
	2026 forecast % Change from 2025	2021-2025 % Growth range	2026 forecast % Change from 2025	2021-2025 % Growth range
Western	0.51%	0.51% - 1.05%	2.17%	(0.74%) – 2.07%
Eastern	0.74%	0.70% - 1.48%	1.80%	(0.21%) – 2.07%

The Determination requires all costs and revenues used to be demonstrably reasonable.

The forecast for other regulated income has been calculated based on a five-year historical average⁴ for both income associated with the supply of electricity distribution services, and gains and losses on disposed assets. Table 4 summarises these amounts.

² [Electricity Distribution Services Input Methodologies \(IM Review 2023\) Amendment Determination 2023](#)

³ There is no forecast large connection contract revenue for this pricing year

⁴ Average of information disclosure amounts from 2020 to 2024

Table 4: Calculating Powerco's forecast other regulated income

Forecast other regulated income	Total (\$000)
Income associated with supply of electricity distribution services	2,331
Gains and losses on disposed assets	(16,256)
Forecast other regulated income	(13,925)

2.3 Forecast allowable revenue

Forecast allowable revenue is calculated in accordance with Schedule 1.4 of the Determination, as the sum of **forecast net allowable revenue**, forecast **pass-through costs**, forecast **recoverable costs**, and forecast **large connection contract** revenue.

The calculation of Powerco's forecast allowable revenue for this 2026 assessment period is provided in Table 5.

Table 5: Calculating Powerco's forecast allowable revenue (FAR)

$$\text{FAR}_{2026} = \text{forecast net allowable revenue} + \text{forecast pass-through costs} + \text{forecast recoverable costs} + \text{forecast large connection contract revenue}$$

Calculation Components	Total (\$000)
Forecast net allowable revenue is specified in Schedule 1.1 of the Determination	446,158
Forecast pass-through costs	118,331
Forecast recoverable costs	248
Forecast large connection contract revenue	0
FAR₂₀₂₆	564,736

2.4 Forecasts of pass-through and recoverable costs

The Determination allows for the inclusion of pass-through and recoverable costs in pricing if they are known at the time prices are set and have not been previously recovered or will not be able to be recovered other than through prices. Pass-through and recoverable costs are defined in clauses 3.1.2 and 3.1.3 of the Electricity IM.

Pass-through costs include:

- Rates on system fixed assets paid to a local authority;
- Levies payable to the Electricity Authority, Commerce Commission and Utilities Disputes;
- Charge payable to Transpower for transmission electricity line services;
- Amount payable to Transpower in respect of an investment agreement; and
- Charge payable for system operator services

Recoverable costs include:

- An IRIS incentive adjustment;
- Avoided liability from purchase of Transpower assets
- Claw-back applied by the Commission;
- Costs relating to a CPP proposal;
- Reopener event allowance;
- Extended reserves allowance;
- Quality incentive adjustment;
- Engineer fee – quality standard variation;
- Urgent project allowance;
- Wash-up drawdown amount;
- Fire and Emergency NZ levy; and
- Innovation and non-traditional solutions allowance.

Table 5: Pass-through and recoverable costs included in the 2026 forecast

Pass-through and recoverable costs	Total (\$000)
Council rates	4,249
Electricity Authority levies	1,775
Commerce Commission levies	1,170
Utilities Disputes levies	252
Transpower - Connection charges	21,264
Transpower - Benefit-based charge	18,607
Transpower - Residual charge	65,094
Transpower - New investment charges	5,919
Capex IRIS incentive adjustment	0
Opex IRIS incentive adjustment	(18,715)
Quality incentive adjustment	113
Wash-up drawdown amount ⁵	18,704
Fire and Emergency NZ levy	146
Pass-through and recoverable costs₂₀₂₆	118,578

The Determination requires forecast pass-through and recoverable costs to be demonstrably reasonable. Table 6 summarises the methodology Powerco has applied to determine its forecasts of pass-through and recoverable costs. It is Powerco's opinion that all these methods deliver acceptable forecasts in the context they are used.

⁵ See Table 7 for calculation of this value

Table 6: Methodology to forecast pass-through and recoverable costs

Pass-through and recoverable costs	Forecasting methodology
Council rates	Forecast is a combination of current and proposed rate amounts
Electricity Authority levies	Forecast is a combination of current and projected levy amounts
Commerce Commission levies	Forecast is a combination of current and projected levy amounts
Utilities Dispute levies	Forecast is a combination of current and projected levy amounts
Transpower - Connection charges	As notified by Transpower
Transpower - Benefit-based Charge	As notified by Transpower
Transpower - Residual charge	As notified by Transpower
Transpower - New investment charges	As notified by Transpower
IRIS incentive adjustments	Actual amounts using Input Methodologies formula
Quality incentive adjustment	Based on quality outcomes and calculated in 2024 Annual Compliance Statement adjusted for the time value of money
Wash-up drawdown amount	Actual amounts using Input Methodologies formula (Table 7)
Fire and Emergency NZ levy	Forecast is a combination of current and projected amounts

The **wash-up drawdown amount** has been determined to be equal to the maximum amount per subclause (ii) of clause 3.1.4 (5) of the Electricity IM⁶, which defines the “**wash-up drawdown amount**” for a disclosure year as an amount that equals one of, or is between, the following amounts:

- (i) zero; and
- (ii) the **wash-up account balance** for the **disclosure year** two years prior \times (1 + the cost of capital estimate specified in subclause (12) for the **disclosure year** one year prior) \times (1 + the cost of capital estimate specified in subclause (12) for DY_n) minus the **wash-up drawdown amount** for the **disclosure year** one year prior \times (1 + the cost of capital estimate specified in subclause (12) for DY_n) (whether that amount is negative or positive)

Table 7: Wash-up drawdown amount for 2026

Wash-up drawdown amount	Total (\$000)
Wash-up account balance for disclosure year two years prior (2024)	50,561
\times (1 + the cost of capital for the disclosure year one year prior) ⁷	1.0423
\times (1 + the cost of capital for the disclosure year for DY_{2026}) ⁸	1.0529
Minus the wash-up drawdown amount for the disclosure year one year prior	34,936
\times (1 + the cost of capital for the disclosure year for DY_{2026})	1.0529
Wash-up drawdown amount 2026	18,704

⁶ Electricity Distribution Services Input Methodologies (Washup Amounts) Amendment Determination 2024

⁷ Cost of capital value for disclosure year one year prior (2025) is 4.23%, the 67th percentile post-tax WACC

⁸ Cost of capital value for the disclosure year 2026 is 5.29%, (41% of 2025 and 59% of 2026 mid-point post tax WACC value - 6.02%)

Appendices

The following list of appendices provides further information supporting this Statement.

Appendix reference	Information provided
A – Compliance references	References the compliance requirements of the Determination and where they are evidenced in this Statement.
B – Prices and forecast quantities for pricing year 2026	Detailed schedules specifying prices and forecast quantities.
C – Quantity forecasting	Calculating forecast revenue from prices requires a forecast of quantities.

Appendix A – Compliance statement references

Determination clause	Determination requirement	Compliance statement reference
Price Path		
8.3	Forecast revenue from prices must not exceed the forecast allowable revenue for the assessment period	Section 2.1
Annual price-setting compliance statement		
11.2 (a)(i)	State whether Powerco has complied with the price path in clause 8.3 for the first assessment period	Summary
11.2 (b)	State the date on which the Statement was prepared	Summary
11.2 (c)	Include a certificate in the form set out in Schedule 6, signed by at least one director of Powerco	Section 4
11.3 (a)	Include Powerco’s calculation of its forecast revenue from prices together with supporting information for all components of the calculation	Section 2.2, Appendix B & C
11.3 (b)	Include Powerco’s calculation of its forecast allowable revenue together with supporting information for all components of the calculation	Sections 2.3-2.4
11.3 (c)	Include any reasons for non-compliance with the price path	N/a
11.3 (d)	Include actions taken to mitigate any non-compliance and to prevent similar non-compliance in future assessment periods	N/a

Appendix B – Prices and forecast quantities for pricing year 2026

The tables in this attachment contain our prices and forecast quantities.

Annual Price-setting Compliance Statement 2026



Western Network - Distribution Prices

Western Network					Distribution Prices FY26 (1 April 2025 to 31 March 2026)																
Tariff Group	Network Group	Tariff Description	Fixed Charges						Variable Charges												
			ICP \$/day	Installed Capacity \$/kVA/Day	CT/VT Charge (\$/day)	ABP (\$/AMD)	ABP (\$/CMD)	ABP (\$/AMD)	Uncontrolled \$/kWh	Controlled \$/kWh	On Peak Winter \$/kWh	Off Peak Uncontrolled \$/kWh	On Peak Summer \$/kWh	Unmetered \$/kWh	Peak DG Winter \$/kWh	Off Peak DG \$/kWh	Peak DG Summer \$/kWh	Distributed Generation	\$/kVAr		
			FDC	KVA*	CT/VT	*DIST*	CMD	*TRAN*	24UC	CTRL	PEAK	OPFK	PEAK	UNML	PKDG	OPDG	PKDG	24DG	PFC		
Residential+Small Commercial																					
W05A	A	Low User	Small	DIST	0.620																
W06A	A	Standard User	Small	DIST	1.210																
W05B	B	Low User	Small	DIST	0.520																
W06B	B	Standard User	Small	DIST	1.350																
Medium Commercial																					
W01A	A	Unmetered	Small	DIST	0.360										0.1316						
W02A	A	Streetlighting	Small	DIST		0.0750															
W01B	B	Unmetered	Small	DIST	0.280										0.1804						
W02B	B	Streetlighting	Small	DIST		0.0850															
W22A	A	3ph63A >199kVA	Medium	DIST	7.7500	0.0500								0.0699	0.0395	0.1398	0.0445	0.1170			
W28A	A	200kVA >299kVA	Medium	DIST																	
W22B	B	3ph63A >199kVA	Medium	DIST	8.0000	0.0500								0.0937	0.0594	0.1712	0.0644	0.1603			
W28B	B	200kVA >299kVA	Medium	DIST																	
Large Commercial																					
W29	A	200kVA < 300kVA	Medium	DIST	12.60	4.8800	0.5330							0.0045						8.400	
W29	B	200kVA < 300kVA	Medium	DIST	12.60	4.8800	0.6680							0.0045						8.400	
W29	C	200kVA < 300kVA	Medium	DIST	12.60	4.8800	0.7530							0.0045						8.400	
W29	D	200kVA < 300kVA	Medium	DIST	12.60	4.8800	0.7820							0.0045						8.400	
W29	E	200kVA < 300kVA	Medium	DIST	12.60	4.8800	0.5160							0.0045						8.400	
W29	F	200kVA < 300kVA	Medium	DIST	12.60	4.8800	0.5880							0.0045						8.400	
W29	G	200kVA < 300kVA	Medium	DIST	12.60	4.8800	1.0720							0.0045						8.400	
W29	H	200kVA < 300kVA	Medium	DIST	12.60	4.8800	0.5810							0.0045						8.400	
W29	I	200kVA < 300kVA	Medium	DIST	12.60	4.8800	0.4790							0.0045						8.400	
W29	J	200kVA < 300kVA	Medium	DIST	12.60	4.8800	0.7300							0.0045						8.400	
Large Industrial																					
W50	*	Individual ICP prices	Large	DIST	182.55															8.400	
W60	*	Individual ICP prices	Large	DIST	450.70															8.400	
OTHER	*	Individual ICP prices	Large	DIST																8.400	

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Western Network - Transmission Prices

Western Network					Transmission Prices FY26 (Prices 1 April 2025 to 31 March 2026)																				
Tariff Group	Network Group	Tariff Description	Fixed Charges						Variable Charges									Distributed Generation	\$/kVA _{yr}						
			ICP \$/day	Installed Capacity \$/kVA/Day	CT/VT Charge (\$/day)	ABP (\$/AMD)	ABP (\$/CMD)	ABP (\$/AMD)	Uncontrolled \$/kWh	Controlled \$/kWh	On Peak Winter \$/kWh	Off Peak Uncontrolled \$/kWh	On Peak Summer \$/kWh	Unmetered \$/kWh	Peak DG Winter \$/kWh	Off Peak DG \$/kWh	Peak DG Summer \$/kWh								
			FDC	KVA*	CT/VT	*DIST*	CMD	*TRAN*	24UC	CTRL	PEAK	OPFK	PEAK	UNML	PKDG	OPDG	PKDG			24DG	PFC				
Residential+Small Commercial																									
W05A	A	Low User	Small	TRAN	0.1300																				
W06A	A	Standard User	Small	TRAN	0.1300																				
W05B	B	Low User	Small	TRAN	0.2300																				
W06B	B	Standard User	Small	TRAN	0.2300																				
Medium Commercial																									
W01A	A	Unmetered	Small	TRAN	0.0900																				
W02A	A	Streetlighting	Small	TRAN		0.0250																			
W01B	B	Unmetered	Small	TRAN	0.1700																				
W02B	B	Streetlighting	Small	TRAN		0.0250																			
W22A	A	3ph63A >199kVA	Medium	TRAN	2.000																				
W28A	A	200kVA >299kVA	Medium	TRAN																					
W22B	B	3ph63A >199kVA	Medium	TRAN	1.800																				
W28B	B	200kVA >299kVA	Medium	TRAN																					
Large Commercial																									
W29	A	200kVA < 300kVA	Medium	TRAN																					
W29	B	200kVA < 300kVA	Medium	TRAN																					
W29	C	200kVA < 300kVA	Medium	TRAN																					
W29	D	200kVA < 300kVA	Medium	TRAN																					
W29	E	200kVA < 300kVA	Medium	TRAN																					
W29	F	200kVA < 300kVA	Medium	TRAN																					
W29	G	200kVA < 300kVA	Medium	TRAN																					
W29	H	200kVA < 300kVA	Medium	TRAN																					
W29	I	200kVA < 300kVA	Medium	TRAN																					
W29	J	200kVA < 300kVA	Medium	TRAN																					
Large Industrial																									
W50	*	Individual ICP prices	Large	TRAN	66.19																				
W60	*	Individual ICP prices	Large	TRAN	397.57																				
OTHER	*	Individual ICP prices	Large	TRAN																					

Annual Price-setting Compliance Statement 2026



Western Network – Quantities

Western Network					Quantities FY26 (1 April 2025 to 31 March 2026)																		
					Fixed Volumes							Variable Volumes											
Tariff Group	Network Group	Tariff Description			ICP Days	ICPs (Average)	kVA Installed	CT/VTs	AMD	CMD	AMD	kWh Uncontrolled	kWh Controlled	kWh On Peak Winter	kWh Off Peak	kWh On Peak Summer	kWh Unmetered	kWh DG Peak Winter	kWh DG Off Peak	kWh DG Peak Summer	Distributed Generation	kVAr Demand pa	
					FDC	FDC	KVA*	CT/VT	*DIST*	CMD	*TRAN*	24UC	CTRL	PEAK	OPFK	PEAK	UNML	PKDG	OPDG	PKDG	24DG	PFC	
Residential+Small Commercial																							
W05A	A	Low User	Small	DIST	24,645,077	67,521	-	-	-	-	-	62,589,526	40,971,933	38,080,787	146,181,033	26,038,916	13,394	330,285	4,545,657	806,130	631,341	-	
W06A	A	Standard User	Small	DIST	20,939,572	57,369	-	-	-	-	-	223,549,036	64,795,560	68,469,179	299,708,072	56,491,618	8,973	1,169,537	10,487,919	1,452,443	1,456,655	-	
W05B	B	Low User	Small	DIST	9,470,725	25,947	-	-	-	-	-	22,834,822	15,489,672	14,694,102	57,956,502	10,167,042	-	171,221	2,203,017	379,533	305,975	-	
W06B	B	Standard User	Small	DIST	10,928,804	29,942	-	-	-	-	-	126,792,919	25,023,032	32,518,078	156,476,356	29,092,022	-	227,247	2,843,558	483,643	394,939	-	
Medium Commercial																							
W01A	A	Unmetered	Small	DIST	199,812	547	-	-	-	-	-	-	-	-	-	-	5,918,633	-	-	-	-	-	
W02A	A	Streetlighting	Small	DIST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
W01B	B	Unmetered	Small	DIST	142,985	392	-	-	-	-	-	-	-	-	-	-	2,287,324	-	-	-	-	-	
W02B	B	Streetlighting	Small	DIST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
W22A	A	3ph63A >199kVA	Medium	DIST	5,923	16	1,574	-	-	-	-	851,595	-	106,990	374,661	92,512	-	-	-	-	-	-	
W28A	A	200kVA >299kVA	Medium	DIST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
W22B	B	3ph63A >199kVA	Medium	DIST	4,072	11	1,026	-	-	-	-	369,443	-	338	21,551	7,693	-	-	-	-	-	-	
W28B	B	200kVA >299kVA	Medium	DIST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Large Commercial																							
W29	A	200kVA < 300kVA	Medium	DIST	26,890	74	-	-	7,166	3,108	7,166	25,178,517	-	-	-	-	-	-	-	-	-	35,774	
W29	B	200kVA < 300kVA	Medium	DIST	5,157	14	-	-	1,442	671	1,442	4,695,289	-	-	-	-	-	-	-	-	-	-	
W29	C	200kVA < 300kVA	Medium	DIST	737	2	-	-	96	22	96	218,025	-	-	-	-	-	-	-	-	-	-	
W29	D	200kVA < 300kVA	Medium	DIST	737	2	-	-	61	7	61	104,195	-	-	-	-	-	-	-	-	-	-	
W29	E	200kVA < 300kVA	Medium	DIST	8,472	23	-	-	2,659	1,111	2,659	8,917,697	-	-	-	-	-	-	-	-	-	-	
W29	F	200kVA < 300kVA	Medium	DIST	4,420	12	-	-	1,417	390	1,417	3,758,015	-	-	-	-	-	-	-	-	-	-	
W29	G	200kVA < 300kVA	Medium	DIST	1,842	5	-	-	959	362	959	2,669,666	-	-	-	-	-	-	-	-	-	-	
W29	H	200kVA < 300kVA	Medium	DIST	16,208	44	-	-	4,694	1,986	4,694	13,629,917	-	-	-	-	-	-	-	-	-	-	
W29	I	200kVA < 300kVA	Medium	DIST	44,939	123	-	-	12,603	5,476	12,603	39,186,567	-	-	-	-	-	-	-	-	-	-	
W29	J	200kVA < 300kVA	Medium	DIST	1,473	4	-	-	414	128	414	1,516,022	-	-	-	-	-	-	-	-	-	-	
Large Industrial																							
W50	*	Individual ICP prices	Large	DIST	97,872	268,142	-	-	-	-	-	311,012,858	-	-	-	-	-	-	-	-	-	68,563	
W60	*	Individual ICP prices	Large	DIST	21,131	58	-	-	-	-	-	384,670,830	-	-	-	-	-	-	-	-	-	27,413	
OTHER	*	Individual ICP prices	Large	DIST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Western Region Total																							
			ALL	DIST	66,566,848	182,375	2,600	-	31,510	13,261	31,510	1,232,544,938	146,280,196	153,869,475	660,718,176	121,889,805	8,228,324	1,898,289	20,080,150	3,121,748	2,788,910	131,750	

Western network – distribution & transmission revenue

Western Network					Distribution Revenue (FY26 Prices, FY26 Quantities)				
Tariff Group	Network Group	Tariff Description			Fixed	Variable	Demand	Non-standard	Total
Residential+Small Commercial									
W05A	A	Low User	Small	DIST	15,279,948	31,521,537	-	-	46,801,485
W06A	A	Standard User	Small	DIST	25,336,882	53,072,495	-	-	78,409,377
W05B	B	Low User	Small	DIST	4,924,777	17,093,728	-	-	22,018,505
W06B	B	Standard User	Small	DIST	14,753,885	38,729,774	-	-	53,483,659
Medium Commercial									
W01A	A	Unmetered	Small	DIST	71,932	778,892	-	-	850,824
W02A	A	Streetlighting	Small	DIST	-	-	-	-	-
W01B	B	Unmetered	Small	DIST	40,036	412,633	-	-	452,669
W02B	B	Streetlighting	Small	DIST	-	-	-	-	-
W22A	A	3ph63A >199kVA	Medium	DIST	74,626	101,980	-	-	176,606
W28A	A	200kVA >299kVA	Medium	DIST	-	-	-	-	-
W22B	B	3ph63A >199kVA	Medium	DIST	51,305	37,296	-	-	88,601
W28B	B	200kVA >299kVA	Medium	DIST	-	-	-	-	-
Large Commercial									
W29	A	200kVA < 300kVA	Medium	DIST	1,732,976	113,303	300,499	-	2,146,778
W29	B	200kVA < 300kVA	Medium	DIST	416,599	21,129	-	-	437,728
W29	C	200kVA < 300kVA	Medium	DIST	35,633	981	-	-	36,614
W29	D	200kVA < 300kVA	Medium	DIST	26,566	469	-	-	27,035
W29	E	200kVA < 300kVA	Medium	DIST	607,587	40,130	-	-	647,717
W29	F	200kVA < 300kVA	Medium	DIST	359,792	16,911	-	-	376,703
W29	G	200kVA < 300kVA	Medium	DIST	398,339	12,013	-	-	410,353
W29	H	200kVA < 300kVA	Medium	DIST	1,199,597	61,335	-	-	1,260,932
W29	I	200kVA < 300kVA	Medium	DIST	2,769,645	176,340	-	-	2,945,985
W29	J	200kVA < 300kVA	Medium	DIST	128,814	6,822	-	-	135,636
Large Industrial									
W50	*	Individual ICP prices	Large	DIST	17,866,828	-	575,930	-	18,442,759
W60	*	Individual ICP prices	Large	DIST	9,523,888	-	230,271	-	9,754,159
OTHER	*	Individual ICP prices	Large	DIST	-	-	-	-	-
Western Region Total					95,599,657	142,197,767	1,106,700	-	238,904,124

Western Network					Transmission Revenue (FY26 Prices, FY26 Quantities)				
Tariff Group	Network Group	Tariff Description			Fixed	Variable	Demand	Non-standard	Total
Residential+Small Commercial									
W05A	A	Low User	Small	TRAN	3,203,860	6,089,186	-	-	9,293,047
W06A	A	Standard User	Small	TRAN	2,722,144	13,832,635	-	-	16,554,780
W05B	B	Low User	Small	TRAN	2,178,267	2,362,272	-	-	4,540,539
W06B	B	Standard User	Small	TRAN	2,513,625	7,213,097	-	-	9,726,722
Medium Commercial									
W01A	A	Unmetered	Small	TRAN	17,983	114,821	-	-	132,805
W02A	A	Streetlighting	Small	TRAN	-	-	-	-	-
W01B	B	Unmetered	Small	TRAN	24,307	44,603	-	-	68,910
W02B	B	Streetlighting	Small	TRAN	-	-	-	-	-
W22A	A	3ph63A >199kVA	Medium	TRAN	11,845	27,660	-	-	39,505
W28A	A	200kVA >299kVA	Medium	TRAN	-	-	-	-	-
W22B	B	3ph63A >199kVA	Medium	TRAN	7,329	7,781	-	-	15,110
W28B	B	200kVA >299kVA	Medium	TRAN	-	-	-	-	-
Large Commercial									
W29	A	200kVA < 300kVA	Medium	TRAN	91,549	440,624	-	-	532,173
W29	B	200kVA < 300kVA	Medium	TRAN	17,371	82,168	-	-	99,538
W29	C	200kVA < 300kVA	Medium	TRAN	3,429	3,815	-	-	7,245
W29	D	200kVA < 300kVA	Medium	TRAN	5,260	1,823	-	-	7,084
W29	E	200kVA < 300kVA	Medium	TRAN	36,883	156,060	-	-	192,943
W29	F	200kVA < 300kVA	Medium	TRAN	21,721	65,765	-	-	87,486
W29	G	200kVA < 300kVA	Medium	TRAN	24,846	46,719	-	-	71,565
W29	H	200kVA < 300kVA	Medium	TRAN	65,102	238,524	-	-	303,626
W29	I	200kVA < 300kVA	Medium	TRAN	92,000	685,765	-	-	777,765
W29	J	200kVA < 300kVA	Medium	TRAN	14,045	26,530	-	-	40,576
Large Industrial									
W50	*	Individual ICP prices	Large	TRAN	6,478,086	-	-	-	6,478,086
W60	*	Individual ICP prices	Large	TRAN	8,401,203	-	-	-	8,401,203
OTHER	*	Individual ICP prices	Large	TRAN	-	-	-	-	-
Western Region Total					25,930,858	31,439,849	-	-	57,370,707

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Eastern Network – Distribution Prices

Eastern Network					Distribution Prices FY26 (1 April 2025 to 31 March 2026)															
Tariff Group	Network Group	Tariff Description	Fixed Charges						Variable Charges											
			ICP \$/day	Installed Capacity \$/kVA/Day	CT/VT Charge (\$/day)	ABP (\$/AMD)	ABP (\$/CMD)	ABP (\$/AMD)	Uncontrolled \$/kWh	Controlled \$/kWh	On Peak Winter \$/kWh	Off Peak Uncontrolled \$/kWh	On Peak Summer \$/kWh	Unmetered \$/kWh	Peak DG Winter \$/kWh	Off Peak DG \$/kWh	Peak DG Summer \$/kWh	Distributed Generation	\$/kVA r	
			FDC	kVA*	CT/VT	*DIST*	CMD	*TRAN*	24UC	CTRL	PEAK	OPFK	PEAK	UNML	PKDG	OPDG	PKDG	24DG	PFC	
Residential+Small Commercial																				
V05S	Valley	Low User	Small	DIST	0.590															
V06S	Valley	Standard User	Small	DIST	1.310															
V05C	Valley	North Coro Low User	Small	DIST	0.590															
V06C	Valley	North Coro Standard	Small	DIST	1.410															
T05S	Tauranga	Low User	Small	DIST	0.640															
T06S	Tauranga	Standard User	Small	DIST	1.340															
Unmetered Supply																				
V01	Valley	Unmetered	Small	DIST	0.340									0.1535						
V02	Valley	Streetlighting	Small	DIST		0.1980														
T01	Tauranga	Unmetered	Small	DIST	0.410									0.1235						
T02	Tauranga	Streetlighting	Small	DIST		0.2110														
Medium Commercial																				
V22	Valley	3ph60A >199kVA	Medium	DIST	7.90	0.0500								0.1793						
V28	Valley	200kVA >299kVA	Medium	DIST	31.40									0.1578	0.0252	0.1578				8.400
T22	Tauranga	3ph60A >199kVA	Medium	DIST	8.60	0.0500								0.1408						
T28	Tauranga	200kVA >299kVA	Medium	DIST	30.60									0.1340						8.400
Large Commercial / Industrial																				
V40	Valley	Individual ICP prices	Large	DIST	148.32															8.400
V60	Valley	Individual ICP prices	Large	DIST	635.50															8.400
V71	Kinleith	Individual ICP prices	Large	DIST	13,648.80															8.400
T50	Tauranga	Individual ICP prices	Large	DIST	130.40															8.400
T60	Tauranga	Individual ICP prices	Large	DIST	617.30															8.400

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Eastern Network –Transmission Prices

Eastern Network					Transmission Prices FY26 (Prices 1 April 2025 to 31 March 2026)																
Tariff Group Network Group Tariff Description					Fixed Charges						Variable Charges										
					ICP \$/day	Installed Capacity \$/kVA/Day	CT/VT Charge (\$/day)	ABP (\$/AMD)	ABP (\$/CMD)	ABP (\$/AMD)	Uncontrolled \$/kWh	Controlled \$/kWh	On Peak Winter \$/kWh	Off Peak Uncontrolled \$/kWh	On Peak Summer \$/kWh	Unmetered \$/kWh	Peak DG Winter \$/kWh	Off Peak DG \$/kWh	Peak DG Summer \$/kWh	Distributed Generation	\$/kVAr
					FDC	kVA*	CT/VT	*DIST*	CMD	*TRAN*	24UC	CTRL	PEAK	OPFK	PEAK	UNML	PKDG	OPDG	PKDG	24DG	PFC
Residential+Small Commercial																					
V05S	Valley	Low User	Small	TRAN	0.1600							0.0151	0.0151	0.0151	0.0151	0.0151	0.0151				
V06S	Valley	Standard User	Small	TRAN	0.3200							0.0151	0.0151	0.0151	0.0151	0.0151	0.0151				
V05C	Valley	North Coro Low User	Small	TRAN	0.1600							0.0151	0.0151	0.0151	0.0151	0.0151	0.0151				
V06C	Valley	North Coro Standard	Small	TRAN	0.3200							0.0151	0.0151	0.0151	0.0151	0.0151	0.0151				
T05S	Tauranga	Low User	Small	TRAN	0.1100							0.0144	0.0144	0.0144	0.0144	0.0144	0.0144				
T06S	Tauranga	Standard User	Small	TRAN	0.1400							0.0144	0.0144	0.0144	0.0144	0.0144	0.0144				
Unmetered Supply																					
V01	Valley	Unmetered	Small	TRAN	0.1200											0.0151					
V02	Valley	Streetlighting	Small	TRAN		0.0290															
T01	Tauranga	Unmetered	Small	TRAN	0.0400											0.0144					
T02	Tauranga	Streetlighting	Small	TRAN		0.0290															
Medium Commercial																					
V22	Valley	3ph60A >199kVA	Medium	TRAN	3.3000							0.0167		0.0166	0.0166	0.0166					
V28	Valley	200kVA >299kVA	Medium	TRAN	6.0000							0.0167		0.0167	0.0167	0.0167					
T22	Tauranga	3ph60A >199kVA	Medium	TRAN	1.3000							0.0159	0.0147	0.0159	0.0159	0.0159					
T28	Tauranga	200kVA >299kVA	Medium	TRAN	3.4000							0.0159		0.0159	0.0159	0.0159					
Large Commercial / Industrial																					
V40	Valley	Individual ICP prices	Large	TRAN	49.79																
V60	Valley	Individual ICP prices	Large	TRAN	659.71																
V71	Kinleith	Individual ICP prices	Large	TRAN	20,702.35																
T50	Tauranga	Individual ICP prices	Large	TRAN	43.07																
T60	Tauranga	Individual ICP prices	Large	TRAN	341.18																

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Eastern Network - Quantities

Eastern Network					Quantities FY26 (1 April 2025 to 31 March 2026)																	
Tariff Group	Network Group	Tariff Description	Fixed Volumes						Variable Volumes													
			ICP Days	ICPs (Average)	kVA Installed	CT/VTs	AMD	CMD	AMD	kWh Uncontrolled	kWh Controlled	kWh On Peak Winter	kWh Off Peak	kWh On Peak Summer	kWh Unmetered	kWh DG Peak Winter	kWh DG Off Peak	kWh DG Peak Summer	Distributed Generation	kVAr Demand pa		
			FDC	FDC	kVA*	CT/VT	*DIST*	CMD	*TRAN*	24UC	CTRL	PEAK	OPFK	PEAK	UNML	PKDG	OPDG	PKDG	24DG	PFC		
Residential+Small Commercial																						
V05S	Valley	Low User	Small	DIST	10,056,109	27,551	-	0	-	-	-	22,134,984	26,698,103	15,347,407	63,028,243	11,480,894	727	157,393	2,105,768	369,049	292,468	-
V06S	Valley	Standard User	Small	DIST	11,010,671	30,166	-	1	-	-	-	89,787,329	32,357,787	38,469,528	181,445,823	37,031,798	1,929	201,345	2,538,939	433,390	352,630	-
V05C	Valley	North Coro Low User	Small	DIST	3,551,439	9,730	-	1	-	-	-	4,164,084	5,847,513	5,435,704	16,640,684	4,954,056	188	87,066	586,025	164,087	93,020	-
V06C	Valley	North Coro Standard	Small	DIST	2,832,857	7,761	-	0	-	-	-	8,721,166	4,778,852	7,455,170	24,385,447	7,189,157	190	56,558	387,976	109,718	61,583	-
T05S	Tauranga	Low User	Small	DIST	13,551,922	37,129	-	0	-	-	-	23,523,062	42,680,732	21,403,292	87,896,558	16,127,886	410	394,371	5,251,570	918,521	729,385	-
T06S	Tauranga	Standard User	Small	DIST	20,075,560	55,002	-	1	-	-	-	100,676,707	80,754,709	53,099,464	231,612,786	43,988,327	63,250	487,074	6,076,213	1,031,979	843,919	-
Unmetered Supply																						
V01	Valley	Unmetered	Small	DIST	70,831	194	-	-	-	-	-	-	-	-	-	-	627,405	-	-	-	-	-
V02	Valley	Streetlighting	Small	DIST	4,283,980	16	11,737	-	-	-	-	-	-	-	-	2,569,682	-	-	-	-	-	-
T01	Tauranga	Unmetered	Small	DIST	130,848	358	-	-	-	-	-	-	-	-	-	2,141,445	-	-	-	-	-	-
T02	Tauranga	Streetlighting	Small	DIST	5,293,102	14	14,502	-	-	-	-	-	-	-	-	3,228,125	-	-	-	-	-	-
Medium Commercial																						
V22	Valley	3ph60A >199kVA	Medium	DIST	216,251	592	61,617	-	-	-	-	27,148,097	-	6,280,044	32,208,498	6,512,462	-	37,902	454,633	75,756	63,143	-
V28	Valley	200kVA >299kVA	Medium	DIST	19,864	54	-	-	-	-	-	5,758,323	-	1,022,977	5,217,566	955,967	-	-	35	12	116	1,458
T22	Tauranga	3ph60A >199kVA	Medium	DIST	288,055	789	82,076	-	-	-	-	26,692,309	168,374	6,143,858	28,984,483	6,054,282	-	15,182	251,550	47,705	34,938	-
T28	Tauranga	200kVA >299kVA	Medium	DIST	55,668	153	-	-	-	-	-	7,513,377	-	4,002,097	20,413,576	3,861,915	-	28	377	98	1,255	8,370
Large Commercial / Industrial																						
V40	Valley	Individual ICP prices	Large	DIST	38,358	105	-	-	-	-	-	73,762,417	-	-	-	-	-	-	-	-	-	20,998
V60	Valley	Individual ICP prices	Large	DIST	11,846	32	-	-	-	-	-	332,925,656	-	-	-	-	-	-	-	-	-	25,830
V71	Kinleith	Individual ICP prices	Large	DIST	365	1	-	-	-	-	-	288,774,733	-	-	-	-	-	-	-	-	-	-
T50	Tauranga	Individual ICP prices	Large	DIST	90,209	247	-	-	-	-	-	189,007,378	-	-	-	-	-	-	-	-	-	40,777
T60	Tauranga	Individual ICP prices	Large	DIST	14,788	41	-	-	-	-	-	226,931,381	-	-	-	-	-	-	-	-	-	24,398
Eastern Region Total					71,592,722	169,936	169,931	3	-	-	-	1,427,521,004	193,286,070	158,659,540	691,833,665	138,156,743	8,633,352	1,436,919	17,653,085	3,150,315	2,472,456	121,832

Eastern network - Distribution & Transmission revenue

Eastern Network					Distribution Revenue (FY26 Prices, FY26 Quantities)				
Tariff Group	Network Group	Tariff Description			Fixed	Variable	Demand	Non-standard	Total
Residential+Small Commercial									
V05S	Valley	Low User	Small	DIST	5,933,104	15,016,876	-	-	20,949,981
V06S	Valley	Standard User	Small	DIST	14,423,978	27,638,861	-	-	42,062,839
V05C	Valley	North Coro Low User	Small	DIST	2,095,349	4,532,455	-	-	6,627,804
V06C	Valley	North Coro Standard	Small	DIST	3,994,328	4,249,728	-	-	8,244,056
T05S	Tauranga	Low User	Small	DIST	8,673,230	16,333,063	-	-	25,006,293
T06S	Tauranga	Standard User	Small	DIST	26,901,251	27,758,927	-	-	54,660,178
Unmetered Supply									
V01	Valley	Unmetered	Small	DIST	24,082	96,307	-	-	120,389
V02	Valley	Streetlighting	Small	DIST	848,228	-	-	-	848,228
T01	Tauranga	Unmetered	Small	DIST	53,648	264,468	-	-	318,116
T02	Tauranga	Streetlighting	Small	DIST	1,116,845	-	-	-	1,116,845
Medium Commercial									
V22	Valley	3ph60A >199kVA	Medium	DIST	2,832,887	5,261,826	-	-	8,094,712
V28	Valley	200kVA >299kVA	Medium	DIST	623,717	826,113	12,251	-	1,462,081
T22	Tauranga	3ph60A >199kVA	Medium	DIST	3,975,158	3,993,403	-	-	7,968,561
T28	Tauranga	200kVA >299kVA	Medium	DIST	1,703,447	1,904,921	70,306	-	3,678,673
Large Commercial / Industrial									
V40	Valley	Individual ICP prices	Large	DIST	5,689,424	-	176,387	-	5,865,811
V60	Valley	Individual ICP prices	Large	DIST	7,528,285	-	216,975	-	7,745,260
V71	Kinleith	Individual ICP prices	Large	DIST	4,981,812	-	-	-	4,981,812
T50	Tauranga	Individual ICP prices	Large	DIST	11,763,472	-	342,526	-	12,105,998
T60	Tauranga	Individual ICP prices	Large	DIST	9,128,768	-	204,944	-	9,333,712
Eastern Region Total					112,291,013	107,876,947	1,023,389	-	221,191,348

Eastern Network					Transmission Revenue (FY26 Prices, FY26 Quantities)				
Tariff Group	Network Group	Tariff Description			Fixed	Variable	Demand	Non-standard	Total
Residential+Small Commercial									
V05S	Valley	Low User	Small	TRAN	1,608,977	2,094,224	-	-	3,703,202
V06S	Valley	Standard User	Small	TRAN	3,523,415	5,724,322	-	-	9,247,737
V05C	Valley	North Coro Low User	Small	TRAN	568,230	559,338	-	-	1,127,568
V06C	Valley	North Coro Standard	Small	TRAN	906,514	793,203	-	-	1,699,717
T05S	Tauranga	Low User	Small	TRAN	1,490,711	2,759,500	-	-	4,250,211
T06S	Tauranga	Standard User	Small	TRAN	2,810,578	7,346,812	-	-	10,157,390
Unmetered Supply									
V01	Valley	Unmetered	Small	TRAN	8,500	9,474	-	-	17,973
V02	Valley	Streetlighting	Small	TRAN	124,235	-	-	-	124,235
T01	Tauranga	Unmetered	Small	TRAN	5,234	30,837	-	-	36,071
T02	Tauranga	Streetlighting	Small	TRAN	153,500	-	-	-	153,500
Medium Commercial									
V22	Valley	3ph60A >199kVA	Medium	TRAN	713,628	1,200,390	-	-	1,914,018
V28	Valley	200kVA >299kVA	Medium	TRAN	119,182	216,346	-	-	335,527
T22	Tauranga	3ph60A >199kVA	Medium	TRAN	374,471	1,081,687	-	-	1,456,158
T28	Tauranga	200kVA >299kVA	Medium	TRAN	189,272	569,076	-	-	758,348
Large Commercial / Industrial									
V40	Valley	Individual ICP prices	Large	TRAN	1,909,708	-	-	-	1,909,708
V60	Valley	Individual ICP prices	Large	TRAN	7,815,017	-	-	-	7,815,017
V71	Kinleith	Individual ICP prices	Large	TRAN	7,556,359	-	-	-	7,556,359
T50	Tauranga	Individual ICP prices	Large	TRAN	3,885,573	-	-	-	3,885,573
T60	Tauranga	Individual ICP prices	Large	TRAN	5,045,494	-	-	-	5,045,494
Eastern Region Total					38,808,599	22,385,208	-	-	61,193,807

Appendix C – Quantity forecasting

Quantity forecasting underpins the calculation of forecast revenue from prices. Because prices have fixed and variable components, revenue forecasts require Powerco to forecast the underlying number of connections as well as volumes (kW and kWh).

Forecast connections and volumes for each tariff group largely rely on the levels and trends of historical actual data:

- Forecasts of regional connections are determined using current connections and applying an estimated growth rate for the region using the average growth rates over the previous three years as a guide.
- Powerco’s default method for volume and demand forecasts is to determine the average volume (or demand) per connection for each price category and tariff code, over the previous five years, and multiply it by the relevant connection forecast.
- In certain situations, the average volume over the previous five years is not appropriate to use as a forecast (such as in the case of closed price categories or “one-off” events). Powerco then uses an appropriate subset from within the five-year historical data.
- Further adjustments may be made to average volumes for one off effects or emerging trends.

For the 2025 pricing year we transitioned from GXP to ICP billing for ‘small’ customers in our Western pricing region. This change required the allocation of prices and the forecasting of volumes at an ICP level rather than a GXP level and meant the historical average and total volumes are not comparable.

To address this we have restated the historical volumes on an ICP basis, as well as including the GXP based volumes that applied to prior years.

Tables C.1 to C.6 demonstrate that our connection and volume forecasts are consistent with actual historical growth rates.

Table C.7 outlines our forecasting methodology in instances where the average volume over the previous five years is not appropriate to use as a forecast.

Table C.1: Connection growth – Western region

Customer group	Actual				Projected FY25	Forecast		Total ICPs	Comment
	FY21	FY22	FY23	FY24		FY26			
Small	1.0%	1.0%	0.9%	0.6%	0.5%	0.5%	182,136	Forecast is consistent with historical growth	
Medium	6.3%	10.2%	7.3%	7.2%	9.0%	2.5%	334	Due to price structure changes, historical growth rates are not relevant for this group	
Large	0.4%	1.4%	1.0%	5.5%	3.5%	4.9%	331	Based on specific ICPs and assumed growth	
Total	1.1%	1.0%	0.9%	0.6%	0.5%	0.5%	182,801		

Table C.2: Connection growth – Eastern region

Customer group	Actual				Projected FY25	Forecast		Total ICPs	Comment
	FY21	FY22	FY23	FY24		FY26			
Small	1.4%	1.5%	1.3%	0.7%	0.7%	0.7%	168,470	Forecast is consistent with historical growth	
Medium	3.3%	3.6%	4.2%	4.9%	2.1%	3.3%	1,613	Forecast is consistent with historical growth	
Large	3.1%	2.4%	3.4%	3.1%	3.7%	2.9%	432	Based on specific ICPs and assumed growth	
Total	1.4%	1.5%	1.3%	0.7%	0.8%	0.7%	170,514		

Table C.3: Average volumes (kWh) per connection - Western region

Customer group	Actual				Projected	Forecast		Growth	Comment
	FY21	FY22	FY23	FY24	FY25	FY26			
Small	8,289	8,411	8,312	8,394	8,392	8,399	0.1%	Reflects a trend of flat average household usage	
Medium	386,897	369,438	344,354	328,896	314,351	307,064	-2.3%	Reflects a change to the price structure, minimal revenue impact due to high fixed charges	
Large	2,323,168	2,317,828	2,288,635	2,180,394	2,118,878	2,133,606	0.7%	No impact to revenue due to fixed charges	

Table C.4: Total volumes (GWh) - Western region

Customer group	Actual				Projected	Forecast		Growth	Comment
	FY21	FY22	FY23	FY24	FY25	FY26			
Small	1,451	1,488	1,484	1,509	1,517	1,526	0.6%	Mostly reflects connection growth given flat average usage	
Medium	88	92	93	96	100	102	1.8%	Reflects growth in connection numbers, partly due to price structure change	
Large	654	659	660	653	657	696	5.8%	No impact to revenue due to fixed charges	
Total	2,193	2,238	2,237	2,258	2,274	2,324	2.2%		

Table C.5: Average volume (kWh) per connection – Eastern region

Customer group	Actual				Projected	Forecast		Growth	Comment
	FY21	FY22	FY23	FY24	FY25	FY26			
Small	7,806	7,954	7,793	7,880	7,822	7,848	0.3%	Reflects historical trends	
Medium	122,791	123,548	120,429	116,784	116,118	118,934	2.4%	Reflects historical trends	
Large	2,763,507	2,762,207	2,735,864	2,594,984	2,624,941	2,608,604	-0.6%	No impact to revenue due to fixed charges	

Table C.6: Total volume (GWh) – Eastern region

Customer group	Actual				Projected	Forecast		Growth	Comment
	FY21	FY22	FY23	FY24	FY25	FY26			
Small	1,244	1,287	1,278	1,304	1,304	1,318	1.0%	Higher connection growth combined with some average usage growth	
Medium	163	170	172	174	179	189	5.4%	Reflects growth in connection numbers and average usage	
Large	1,012	1,041	1,052	1,041	1,088	1,111	2.1%	No impact to revenue due to fixed charges	
Total	2,420	2,498	2,503	2,520	2,572	2,618	1.8%		

Table C.7: Forecast exceptions

Region	Customer Group	Price Category	Charge Type	Forecast methodology / comment
Western	Small	W05 / W06	Variable Charge	Prior year historical data used, due to data limitations from the GXP-ICP change in FY25
Western	Medium	W29	Variable Charge	Prior year data used, to reflect transition between W29 and W22, which will distort averages
Western	Large	W50	Variable Charge	Three years of most recent data used, to reduce COVID impact
Western	Large	W60	Variable Charge	Three years of most recent data used, to reduce COVID impact
Eastern	Small	T01 / T02	Variable Charge	Prior year data used to estimate FY24 quantities due to volatility of data
Eastern	Small	T06S	Variable Charge	Three years of most recent data used, due to shifting patterns in this group
Eastern	Medium	T22, T28	Variable Charge	Two years of most recent data used due to step change in averages since FY20
Eastern	Large	T50	Variable Charge	Three years of most recent data used, to recognise COVID impact
Eastern	Large	T60	Variable Charge	Three years of most recent data used, to recognise COVID impact
Eastern	Small	V01 / V02	Variable Charge	Prior year data used to estimate FY24 quantities due to volatility of data
Eastern	Small	V06S / V06C	Variable Charge	Three years of most recent data used, due to shifting patterns in these groups
Eastern	Medium	V22	Variable Charge	Uses three years of most recent data, due to a step change in usage due to COVID
Eastern	Medium	V28	Variable Charge	Uses three years of most recent data, to model a gradual COVID recovery
Eastern	Large	V40	Variable Charge	Three years of most recent data used, to recognise COVID impact
Eastern	Large	V60	Variable Charge	Three years of most recent data used, to recognise COVID impact
Eastern	Large	V71	Variable Charge	Three years of most recent data used, to recognise COVID impact
All	All	All	Reactive Power Charge	Two years of most recent data used, to recognise reactive power volatility

Approach to forecasting kWh quantities for small customers

The approach taken to forecasting volumes is summarised below:

Forecast	Comment
Annual volumes	Based on the historical average usage per ICP, split by price category and tariff, being applied to the forecast number of ICPs in each price category across the year.
Within-year peak/off-peak volumes	<p>We have observed peak volumes of 28%-32%, compared to off-peak volumes of 68%-72%.</p> <p>Our forecasts assume no material changes to usage patterns in response to the peak/off-peak rates, which is consistent with observations.</p>

We update our forecasting models to reflect available data. This is because price structures and levels have the potential to affect consumption in aggregate, as well as at points in time when different prices might apply. Consumption is also affected by how retailers bundle distribution prices with other prices, as well as external factors such as temperature and a consumer’s individual circumstances.

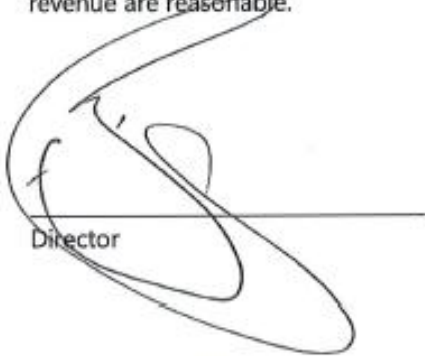
Approach to forecasting revenues for large commercial/industrial customers

Large commercial and industrial customers, of 300 kVA and above capacity, are on asset-based pricing that essentially fixes charges for the full year. Our revenue forecasts for these customer groups allow for changes by applying a growth factor, based on historical ICP growth, to the expected revenue from the existing customers.

Director's Certificate

**Director's Certificate for the Default Price-Quality Path
Annual Price-setting Compliance Statement
For the period 1 April 2025 – 31 March 2026**

I, John Loughlin being a director of Powerco certify that, having made all reasonable enquiry, to the best of my knowledge and belief, the attached annual price-setting compliance statement of Powerco, and related information, prepared for the purposes of the *Electricity Distribution Services Default Price-Quality Path Determination 2025* has been prepared in accordance with all the relevant requirements, and all forecasts used in the calculations for forecast revenue from prices and forecast allowable revenue are reasonable.



Director

26 March 2025

Date

Note: Section 103(2) of the Commerce Act 1986 provides that no person shall attempt to deceive or knowingly mislead the Commission in relation to any matter before it. It is an offence to contravene section 103(2) and any person who does so is liable on summary conviction to a fine not exceeding \$100,000 in the case of an individual or \$300,000 in the case of a body corporate.

