

Electricity price changes effective 1 April 2026

Powerco's prices are increasing by around 7.9%¹ from 1 April 2026.

Table 1: Breakdown of price changes by component and Region

| Component | Eastern | | Western | Overall |
|----------------|-------------|---------------|-------------|--------------|
| | Tauranga | Thames Valley | | |
| Distribution | 5.6% | 5.3% | 7.1% | 6.3% |
| Transmission | 5.9% | 21.2% | 13.6% | 14.2% |
| Overall | 5.6% | 9.3% | 8.3% | 7.9% |

The distribution component makes up around 78% of the total network charge, and prices are increasing by an average of 6.8%. Transmission and other third-party costs make up around 22% of the total network charge, and prices are increasing by an average of 14.2%.

The total network charge we pass to your retailer depends on how and when you use the network, as it is based on several components (eg fixed and variable). This network charge reflects the costs of providing distribution and transmission services to you and can change from year to year.

Average changes by region and consumer group

The price changes can vary between regions and between consumer groups. This reflects the different costs of supply and uses of the network within those regions and groups.

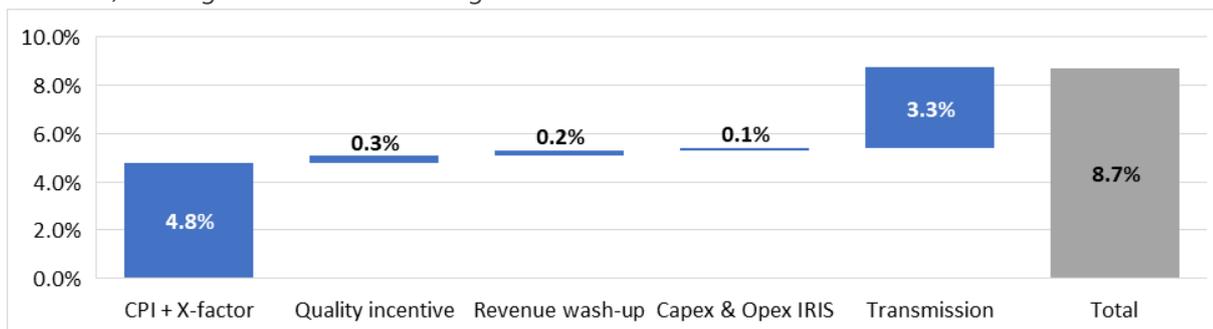
Table 2: Breakdown of price changes by region and component

| Consumer Group | Eastern | | Western | Overall |
|--------------------|-------------|---------------|-------------|-------------|
| | Tauranga | Thames Valley | | |
| Mass Market | 7.8% | 9.2% | 7.7% | 8.1% |
| Commercial | 5.9% | 7.2% | 7.6% | 6.9% |
| Industrial | (1.0%) | 10.2% | 11.8% | 7.7% |
| Overall | 5.6% | 9.3% | 8.3% | 7.9% |

Drivers of the change

Forecast allowable revenue for the year beginning 1 April 2026 has increased by 8.7% compared to last year. After allowing for forecast growth in customer numbers and usage, the average price increase is 7.9%.

As per the chart below, the main increases in allowable revenue are due to regulatory settings (CPI inflation, X-factor²) and higher transmission charges:



¹The 7.9% price change differs from the 8.7% revenue change figure due to forecast growth in quantities, both usage volumes and number of connections.

² The X-factor is a mechanism that smooths (delays) revenue recovery over the 2026–2030 DPP regulatory period.

Other changes to our pricing

1. Phasing out of Low Fixed Charge tariffs

The electricity low fixed-charge tariff option is being phased out by the Government over five years, and started from 1 April 2022. This change re-balances the cost burden between high users and low users, as often the cost to supply energy is no different.

In line with this, the daily fixed charge for low user tariffs will rise from 75 cents per day to 90 cents per day from 1 April 2026. This change is revenue neutral on an overall basis, although will mean the percentage price increase experienced by lower users will be higher than the average.

2. Capacity charge on smaller connections (up to 3 phase 63 Amps)

We are introducing a capacity charge for residential and small commercial customers, on the T06, V06, and W06 Price Categories. This is in addition to the daily fixed charge, although for FY27 the capacity charge rate will be set at zero. The staged introduction allows time for: Low Fixed Charge regulations to be removed; capacity values to be populated against each connection in Registry; retailers to incorporate the change into systems and pricing plans where relevant.

This change caters for the varying capacity sizes with these Price Categories, especially given increasing fixed charge recovery, and means costs can be recovered appropriately from those requiring larger connections. Adding a capacity metric also avoids adding Price Categories simply to add a different fixed charge, and was signalled in last year's 'Reasons for Change' document.

3. Demand charge on medium commercial (200-299 kVA)

We are introducing a demand charge for Price Categories T28 & V28 (including T28N & V28N). The figure for each ICP will be calculated and set annually, based on the maximum demand within an observation period.

This will further align pricing in our Eastern and Western Regions and reduce reliance on kWh prices, which are less relevant for connections of this size.

4. Allocation of non-network assets, and assets under construction

We have introduced allocations of non-network assets and assets under construction to connections of 1500 kVA and above. Historically the asset-based pricing for these only referenced the specific assets used to connect them and did not fully recognise the Regulatory Asset Base (RAB) required to provide the distribution network service.

Powerco's total RAB is approximately \$3 billion, with non-network assets making up approximately \$130 million, and assets under construction (and related revaluations) making up approximately \$550 million.

Want to know more?

Further details of our pricing, and the changes implemented this year, can be found in our:

- [Pricing Methodology](#)
- Pricing Schedules
- Pricing Policy
- Pricing Roadmap

Any questions? Contact our Pricing team: pricing@powerco.co.nz. They'd love to hear from you.

