Annual Price-setting Compliance Statement

Assessment Period: 1 April 2024 – 31 March 2025

POWERCO

Contents

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 April 2024.

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 2024, Powerco is subject to the default price-quality path (DPP) requirements, having transitioned to this from a customised price-quality path (CPP). The requirements of the DPP apply for the final two years (1 April 2023 to 31 March 2025) of the five-year period as set out in the DPP Determination[1].

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 April 2024, which is the second assessment of price-setting compliance covered by the Determination and aligns with what Powerco has been completing for the previous five years under CPP requirements.

Powerco complies with its price path for the year 1 April 2024 – 31 March 2025

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 published this Statement on 31 March 2024 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 (Powerco transition) Amendments Determination 2022

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_{2025}**	**≤**	**FAR_{2025}**
Powerco's result ($000)	462,055	≤	462,056

Powerco complies with the forecast price path requirement

2.2 Forecast revenue from prices

Forecast revenue from prices is calculated in accordance with Schedule 1.3 of the Determination as the sum of each **price** multiplied by each corresponding forecast **quantity**.

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)
$FR_{2025} = \sum(P_{2025} \times Q_{\text{forecast 2025}})$

Region	Total ($000)
Western	236,777
Eastern	225,278
FR_{2025}	**462,055**

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 align with historical growth data at a regional level. The methodology and outputs are provided in more detail at Appendix C.

Table 3: 2025 regional forecasts align with historical growth

Region	Connections		Volume (GWh)	
	2025 forecast % Change from 2024	*2020-2024 % Growth range*	*2025 forecast % Change from 2024*	*2020-2024 % Growth range*
Western	0.82%	0.61% - 1.05%	2.15%	(1.09%) – 2.52%
Eastern	0.84%	0.61% - 1.53%	1.79%	(1.23%) – 3.28%

[2] Powerco's forecast transmission revenue includes all pass-through and recoverable costs (refer Table 5) and the opening wash-up account balance (refer Table 7).

2.3 Forecast allowable revenue

Forecast allowable revenue is calculated in accordance with Schedule 1.5 of the Determination, as the sum of **forecast net allowable revenue, forecast pass-through and recoverable costs,** and the **opening wash-up account balance.**
The calculation of Powerco's forecast allowable revenue for this 2025 assessment period is provided in Table 4.

Table 4: Calculating Powerco's forecast allowable revenue (FAR)
FAR_{2025} = forecast net allowable revenue + forecast pass-through and recoverable costs + opening wash-up account balance

Calculation Components	Total ($000)
Forecast net allowable revenue is specified in Schedule 1.4 of the Determination	328,130
Forecast pass-through and recoverable costs includes, but is not limited to, rates and levies, IRIS or other incentive adjustment and Transpower charges (see Section 2.4 for more detail)	97,260
Opening wash-up account balance represents any under or over recoveries resulting from differences between actual and forecast values in the prior year, adjusted for the time value of money (see Section 2.5 for more detail)	36,666
FAR_{2025}	**462,056**

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 Distribution Services Input Methodologies Determination 2012.

Pass-through costs include:

- Local government rates on system fixed assets;
- Electricity Industry Act levies; and
- Electricity and Gas Complaints Commissioner Scheme (EGCC) levies.

Recoverable costs include:

- IRIS incentive adjustments;
- Transpower charges;
- Distributed generation allowance;
- Claw back applied by the Commission;
- Costs relating to a CPP application;
- Auditor or verifier fees;
- Catastrophic event allowance;
- Extended reserves allowance; and
- Quality incentive adjustment.

Table 5: Pass-through and recoverable costs included in the 2025 forecast

Pass-through and recoverable costs	Total ($000)
Council rates	2,400
Commission levies	972
Electricity Authority levies	1,070
Utilities Disputes levies	248
Capex IRIS incentive adjustment	(723)
Opex IRIS incentive adjustment	(2,414)
Transpower connection charges	17,208
Transpower new investment charges	6,155
Transpower Benefit-based Charge	15,476
Transpower Residual Charge	56,602
Quality incentive adjustment	(3,180)
Capex wash-up adjustment	3,446
Pass-through and recoverable costs$_{2025}$	**97,260**

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.

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 levy rates
Commission levies	Forecast is a combination of current and projected levy amounts
Electricity Authority levies	Forecast is a combination of current and projected levy amounts
Utilities Dispute levies	Forecast is a combination of current and projected levy amounts
IRIS incentive adjustments	Actual amounts using Input Methodologies formula
Transpower connection charges	As notified by Transpower
Transpower new investment charges	As notified by Transpower
Benefit-based Charge	As notified by Transpower
Residual Charge	As notified by Transpower
Quality incentive adjustment	Based on Information Disclosure outcomes, regulatory year ending March 2023 (adjusted for time value of money)
Capex wash-up adjustment	Actual amounts using Input Methodologies formula

2.5 Opening wash-up account balance

The Determination includes a revenue cap mechanism for Powerco. This means variances between actual and forecast allowable revenue now also result in a wash-up balance, in addition to variances between actual and forecast pass-through and recoverable costs. Powerco must calculate the wash-up amount for each assessment period using the methodology specified in Schedule 1.7 of the Determination where:

- The 'opening wash-up account balance' for the fifth **assessment period** is the *closing wash-up account balance* of the previous **assessment period**.
- The closing wash-up account balance for the previous assessment period is the **wash-up amount** for the previous **assessment period** less **voluntary undercharging amount foregone** for the previous assessment period) **x (1 + 67th percentile estimate of post-tax WACC)**.

Table 7: Calculating the closing wash-up account balance for the third assessment period

Description	Total ($000)
Wash-up amount$_{2024}$	32,158
+ adjustment for 67th percentile estimate of post-tax WACC	4,508
Opening wash-up balance$_{2025}$	**36,666**

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 2025	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		
8.4	The forecast revenue from prices for each assessment period must not exceed the forecast allowable revenue for the assessment period	Section 3.1
Annual price-setting compliance statement		
11.2 (a)	State whether Powerco has complied with the price path in clause 8 for the assessment period	Section 2
11.2 (b)	State the date on which the Statement was prepared	Cover
11.2 (c)	Include a certificate in the form set out in Schedule 6, signed by at least one director of Powerco	Section 1
11.3 (a)	Include Powerco's calculation of its forecast revenue from prices together with supporting information for all components of the calculation	Section 3.2, 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 3.3-3.5
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 2025

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

Western Network - Distribution Prices

Western Network					Distribution Prices FY25 (1 April 2024 to 31 March 2025)													
					Fixed Charges						Variable Charges							
Tariff Group	Network Group	Tariff Description			ICP $/day	Installed Capacity $/kVA/Day	CT/VT Charge ($/day)	ABP ($/AMD)	ABP ($/CMD)	ABP ($/AMD)	Uncontrolled $/kWh	Controlled $/kWh	On Peak Uncontrolled $/kWh	Off Peak Uncontrolled $/kWh	On Peak - Summer $/kWh	Unmetered $/kWh	Distributed Generation	$/kVAr
					FDC	FDC*	CT/VT	*DIST*	CMD	*TRAN*	24UC	CTRL	PEAK	OFPK	PEAK	UNML	24DG	PFC
Residential+Small Commercial																		
W05A	A	Low User	Small	DIST	0.49						0.0837	0.0364	0.1628	0.0514	0.1478	0.0942		
W06A	A	Standard User	Small	DIST	0.79						0.0701	0.0228	0.1492	0.0378	0.1342	0.0806		
W05B	B	Low User	Small	DIST	0.41						0.1138	0.0685	0.1880	0.0835	0.1730	0.1288		
W06B	B	Standard User	Small	DIST	0.71						0.1002	0.0549	0.1744	0.0699	0.1594	0.1152		
Medium Commercial																		
W01A	*	Unmetered	Small	DIST	0.36											0.1036		
W02A	*	Streetlighting	Small	DIST		0.0750												
W01B	*	Unmetered	Small	DIST	0.28											0.1378		
W02B	*	Streetlighting	Small	DIST		0.0850												
W22A	*	3ph60A >199kVA	Medium	DIST	10.0000						0.0631	0.0290	0.1343	0.0340	0.1158			
W22B	*	3ph60A >199kVA	Medium	DIST	10.0000						0.0902	0.0579	0.1570	0.0629	0.1385			
Medium Commercial																		
W29	A	100kVA < 300kVA	Medium	DIST	10.0000		4.5400	0.4264			0.0030							7.000
W29	B	100kVA < 300kVA	Medium	DIST	10.0000		4.5400	0.5345			0.0030							7.000
W29	C	100kVA < 300kVA	Medium	DIST	10.0000		4.5400	0.6023			0.0030							7.000
W29	D	100kVA < 300kVA	Medium	DIST	10.0000		4.5400	0.6255			0.0030							7.000
W29	E	100kVA < 300kVA	Medium	DIST	10.0000		4.5400	0.4131			0.0030							7.000
W29	F	100kVA < 300kVA	Medium	DIST	10.0000		4.5400	0.4700			0.0030							7.000
W29	G	100kVA < 300kVA	Medium	DIST	10.0000		4.5400	0.8572			0.0030							7.000
W29	H	100kVA < 300kVA	Medium	DIST	10.0000		4.5400	0.4646			0.0030							7.000
W29	I	100kVA < 300kVA	Medium	DIST	10.0000		4.5400	0.3829			0.0030							7.000
W29	J	100kVA < 300kVA	Medium	DIST	10.0000		4.5400	0.5840			0.0030							7.000
Large Commercial / Industrial																		
W50	*	Individual ICP prices	Large	DIST	157.01													7.000
W60	*	Individual ICP prices	Large	DIST	374.41													7.000

Western Network - Transmission Prices

Western Network					Transmission Prices FY25 (Prices 1 April 2024 to 31 March 2025)													
					Fixed Charges						Variable Charges							
Tariff Group	Network Group	Tariff Description			ICP $/day	Installed Capacity $/kVA/Day	CT/VT Charge ($/day)	ABP ($/AMD)	ABP ($/CMD)	ABP ($/AMD)	Uncontrolled $/kWh	Controlled $/kWh	On Peak Uncontrolled $/kWh	Off Peak Uncontrolled $/kWh	On Peak - Summer $/kWh	Unmetered $/kWh	Distributed Generation	$/kVAr
					FDC	FDC*	CT/VT	*DIST*	CMD	*TRAN*	24UC	CTRL	PEAK	OFPK	PEAK	UNML	24DG	PFC
Residential+Small Commercial																		
W05A	A	Low User	Small	TRAN	0.1100						0.0162	0.0162	0.0162	0.0162	0.0162	0.0162		
W06A	A	Standard User	Small	TRAN	0.1100						0.0162	0.0162	0.0162	0.0162	0.0162	0.0162		
W05B	B	Low User	Small	TRAN	0.1900						0.0161	0.0161	0.0161	0.0161	0.0161	0.0161		
W06B	B	Standard User	Small	TRAN	0.1900						0.0161	0.0161	0.0161	0.0161	0.0161	0.0161		
Medium Commercial																		
W01A	*	Unmetered	Small	TRAN	0.090											0.0162		
W02A	*	Streetlighting	Small	TRAN		0.0250												
W01B	*	Unmetered	Small	TRAN	0.170											0.0161		
W02B	*	Streetlighting	Small	TRAN		0.0250												
W22A	*	3ph60A >199kVA	Medium	TRAN							0.0162	0.0162	0.0162	0.0162	0.0162			
W22B	*	3ph60A >199kVA	Medium	TRAN							0.0161	0.0161	0.0161	0.0161	0.0161			
Medium Commercial																		
W29	A	100kVA < 300kVA	Medium	TRAN						0.0307	0.0143							
W29	B	100kVA < 300kVA	Medium	TRAN						0.0291	0.0143							
W29	C	100kVA < 300kVA	Medium	TRAN						0.0851	0.0143							
W29	D	100kVA < 300kVA	Medium	TRAN						0.2073	0.0143							
W29	E	100kVA < 300kVA	Medium	TRAN						0.0327	0.0143							
W29	F	100kVA < 300kVA	Medium	TRAN						0.0364	0.0143							
W29	G	100kVA < 300kVA	Medium	TRAN						0.0620	0.0143							
W29	H	100kVA < 300kVA	Medium	TRAN						0.0334	0.0143							
W29	I	100kVA < 300kVA	Medium	TRAN						0.0171	0.0143							
W29	J	100kVA < 300kVA	Medium	TRAN						0.0806	0.0143							
Large Commercial / Industrial																		
W50	*	Individual ICP prices	Large	TRAN	59.77													
W60	*	Individual ICP prices	Large	TRAN	329.38													

Western Network – Quantities

Western Network					Quantities FY25 (1 April 2024 to 31 March 2025)													
					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	kWh Off Peak	kWh All Inclusive On Peak	kWh Unmetered	Distributed Generation	kVAr Demand pa
					FDC	FDC	FDC*	CT/VT	*DIST*	CMD	*TRAN*	24UC	CTRL	PEAK	OFPK	PEAK	UNML	24DG	PFC
Residential+Small Commercial																			
W05A	A	Low User	Small	DIST	31,321,193	85,811	-	-	-	-	-	181,807,759	41,864,314	30,215,042	116,984,791	19,427,843	198,132	2,996,549	-
W06A	A	Standard User	Small	DIST	14,253,773	39,051	-	-	-	-	-	391,324,892	46,817,549	30,720,653	140,760,616	22,937,434	97,437	4,455,341	-
W05B	B	Low User	Small	DIST	12,466,520	34,155	-	-	-	-	-	70,061,698	16,241,446	11,588,791	48,161,208	7,675,556	454,052	1,600,470	-
W06B	B	Standard User	Small	DIST	7,929,873	21,726	-	-	-	-	-	214,888,038	17,484,915	14,405,535	75,704,573	12,030,184	134,945	1,208,702	-
Medium Commercial																			
W01A	*	Unmetered	Small	DIST	-	258	-	-	-	-	-	-	-	-	-	-	67,964	-	-
W02A	*	Streetlighting	Small	DIST	7,703,086	36	21,104	-	-	-	-	-	-	-	-	-	3,287,872	-	-
W01B	*	Unmetered	Small	DIST	-	61	-	-	-	-	-	-	-	-	-	-	57,198	-	-
W02B	*	Streetlighting	Small	DIST	2,006,604	13	5,498	-	-	-	-	-	-	-	-	-	741,340	-	-
W22A	*	3ph60A >199kVA	Medium	DIST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
W22B	*	3ph60A >199kVA	Medium	DIST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medium Commercial																			
W29	A	100kVA < 300kVA	Medium	DIST	26,564	73	-	2	7,404	3,108	7,404	26,159,168	-	-	-	-	-	-	38,094
W29	B	100kVA < 300kVA	Medium	DIST	5,469	15	-	-	1,426	671	1,426	5,369,330	-	-	-	-	-	-	-
W29	C	100kVA < 300kVA	Medium	DIST	781	2	-	-	106	22	106	227,135	-	-	-	-	-	-	-
W29	D	100kVA < 300kVA	Medium	DIST	391	1	-	-	124	7	124	93,606	-	-	-	-	-	-	-
W29	E	100kVA < 300kVA	Medium	DIST	8,594	24	-	-	2,383	1,111	2,383	9,387,443	-	-	-	-	-	-	-
W29	F	100kVA < 300kVA	Medium	DIST	4,688	13	-	-	933	390	933	4,992,726	-	-	-	-	-	-	-
W29	G	100kVA < 300kVA	Medium	DIST	1,953	5	-	-	980	362	980	2,741,624	-	-	-	-	-	-	-
W29	H	100kVA < 300kVA	Medium	DIST	17,579	48	-	-	4,965	1,986	4,965	16,770,858	-	-	-	-	-	-	-
W29	I	100kVA < 300kVA	Medium	DIST	46,097	126	-	-	12,608	5,476	12,608	44,123,901	-	-	-	-	-	-	-
W29	J	100kVA < 300kVA	Medium	DIST	1,563	4	-	-	373	128	373	1,843,143	-	-	-	-	-	-	-
Large Commercial / Industrial																			
W50	*	Individual ICP prices	Large	DIST	91,025	249	-	-	-	-	-	281,201,022	-	-	-	-	-	-	64,145
W60	*	Individual ICP prices	Large	DIST	21,374	59	-	-	-	-	-	397,879,843	-	-	-	-	-	-	28,577
Western Region Total			**ALL**	**DIST**	**75,907,128**	**181,730**	**26,602**	**2**				**1,648,872,186**	**122,408,224**	**86,930,021**	**381,611,188**	**62,071,016**	**5,038,939**	**10,261,063**	**130,816**

Western network – distribution & transmission revenue

Western Network					Distribution Revenue (FY25 Prices, FY25 Quantities)				
Tariff Group	Network Group	Tariff Description			Fixed	Variable	Demand	Non-standard	Total
Residential+Small Commercial									
W05A	A	Low User	Small	DIST	15,347,385	30,563,297	-		**45,910,681**
W06A	A	Standard User	Small	DIST	11,260,481	41,489,645	-		**52,750,126**
W05B	B	Low User	Small	DIST	5,111,273	16,672,067	-		**21,783,340**
W06B	B	Standard User	Small	DIST	5,630,210	32,228,935	-		**37,859,145**
Medium Commercial									
W01A	*	Unmetered	Small	DIST	33,948	7,041	-		**40,989**
W02A	*	Streetlighting	Small	DIST	577,731	-	-		**577,731**
W01B	*	Unmetered	Small	DIST	6,228	7,882	-		**14,110**
W02B	*	Streetlighting	Small	DIST	170,561	-	-		**170,561**
W22A	*	3ph60A >199kVA	Medium	DIST	-	-	-		-
W22B	*	3ph60A >199kVA	Medium	DIST	-	-	-		-
Medium Commercial									
W29	A	100kVA < 300kVA	Medium	DIST	1,421,228	78,478	266,657		**1,766,363**
W29	B	100kVA < 300kVA	Medium	DIST	332,948	16,108	-		**349,056**
W29	C	100kVA < 300kVA	Medium	DIST	31,165	681	-		**31,847**
W29	D	100kVA < 300kVA	Medium	DIST	32,161	281	-		**32,442**
W29	E	100kVA < 300kVA	Medium	DIST	445,304	28,162	-		**473,466**
W29	F	100kVA < 300kVA	Medium	DIST	206,989	14,978	-		**221,968**
W29	G	100kVA < 300kVA	Medium	DIST	326,068	8,225	-		**334,293**
W29	H	100kVA < 300kVA	Medium	DIST	1,017,693	50,313	-		**1,068,006**
W29	I	100kVA < 300kVA	Medium	DIST	2,222,984	132,372	-		**2,355,355**
W29	J	100kVA < 300kVA	Medium	DIST	95,205	5,529	-		**100,734**
Large Commercial / Industrial									
W50	*	Individual ICP prices	Large	DIST	14,291,893	-	449,016		**14,740,909**
W60	*	Individual ICP prices	Large	DIST	8,002,870	-	200,039		**8,202,909**
Western Region Total			**ALL**	**DIST**	**66,564,326**	**121,303,993**	**915,712**	-	**188,784,032**

Western Network					Transmission Revenue (FY25 Prices, FY25 Quantities)				
Tariff Group	Network Group	Tariff Description			Fixed	Variable	Demand	Non-standard	Total
Residential+Small Commercial									
W05A	A	Low User	Small	TRAN	3,445,331	6,326,066	-		**9,771,397**
W06A	A	Standard User	Small	TRAN	1,567,915	10,249,069	-		**11,816,984**
W05B	B	Low User	Small	TRAN	2,368,639	2,482,342	-		**4,850,981**
W06B	B	Standard User	Small	TRAN	1,506,676	5,387,836	-		**6,894,512**
Medium Commercial									
W01A	*	Unmetered	Small	TRAN	8,487	1,101	-		**9,588**
W02A	*	Streetlighting	Small	TRAN	192,577	-	-		**192,577**
W01B	*	Unmetered	Small	TRAN	3,781	921	-		**4,702**
W02B	*	Streetlighting	Small	TRAN	50,165	-	-		**50,165**
W22A	*	3ph60A >199kVA	Medium	TRAN	-	-	-		-
W22B	*	3ph60A >199kVA	Medium	TRAN	-	-	-		-
Medium Commercial									
W29	A	100kVA < 300kVA	Medium	TRAN	82,962	374,076	-		**457,038**
W29	B	100kVA < 300kVA	Medium	TRAN	15,149	76,781	-		**91,931**
W29	C	100kVA < 300kVA	Medium	TRAN	3,299	3,248	-		**6,547**
W29	D	100kVA < 300kVA	Medium	TRAN	9,364	1,339	-		**10,702**
W29	E	100kVA < 300kVA	Medium	TRAN	28,446	134,240	-		**162,687**
W29	F	100kVA < 300kVA	Medium	TRAN	12,400	71,396	-		**83,796**
W29	G	100kVA < 300kVA	Medium	TRAN	22,171	39,205	-		**61,377**
W29	H	100kVA < 300kVA	Medium	TRAN	60,524	239,823	-		**300,347**
W29	I	100kVA < 300kVA	Medium	TRAN	78,690	630,972	-		**709,662**
W29	J	100kVA < 300kVA	Medium	TRAN	10,983	26,357	-		**37,340**
Large Commercial / Industrial									
W50	*	Individual ICP prices	Large	TRAN	5,440,501	-	-		**5,440,501**
W60	*	Individual ICP prices	Large	TRAN	7,040,263	-	-		**7,040,263**
Western Region Total			**ALL**	**TRAN**	**21,948,324**	**26,044,772**	-	-	**47,993,097**

Eastern Network – Distribution Prices

Eastern Network					Distribution Prices FY25 (1 April 2024 to 31 March 2025)													
					Fixed Charges						Variable Charges							
Tariff Group	Network Group	Tariff Description			ICP $/day	Installed Capacity $/kVA/Day	CT/VT Charge ($/day)	ABP ($/AMD)	ABP ($/CMD)	ABP ($/AMD)	Uncontrolled $/kWh	Controlled $/kWh	On Peak Uncontrolled $/kWh	Off Peak Uncontrolled $/kWh	On Peak - Summer $/kWh	Unmetered $/kWh	Distributed Generation	$/kVAr
					FDC	FDC*	CT/VT	*DIST*	CMD	*TRAN*	24UC	CTRL	PEAK	OFPK	PEAK	UNML	24DG	PFC
Residential+Small Commercial																		
V05S	Valley	Low User	Small	DIST	0.470						0.0940	0.0455	0.1796	0.0555	0.1796	0.1182		
V06S	Valley	Standard User	Small	DIST	1.020						0.0621	0.0136	0.1477	0.0236	0.1477	0.0863		
V08	Valley	Holiday Home	Small	DIST	1.170						0.0552	0.0137	0.1472	0.0137	0.1472	0.0863		
T05S	Tauranga	Low User	Small	DIST	0.530						0.0802	0.0276	0.1600	0.0426	0.1470	0.1008		
T06S	Tauranga	Standard User	Small	DIST	1.090						0.0529	0.0003	0.1327	0.0153	0.1197	0.0735		
Unmetered Supply				DIST														
V01	Valley	Unmetered	Small	DIST	0.3400											0.1241		
V02	Valley	Streetlighting	Small	DIST		0.1637												
T01	Tauranga	Unmetered	Small	DIST	0.4100											0.1058		
T02	Tauranga	Streetlighting	Small	DIST		0.1749												
Medium Commercial																		
V22	Valley	3ph60A >199kVA	Medium	DIST	9.91						0.0601		0.1429	0.0228	0.1429			7.000
V28	Valley	200kVA >299kVA	Medium	DIST	25.01						0.0529		0.1258	0.0201	0.1258			7.000
T22	Tauranga	3ph60A >199kVA	Medium	DIST	10.81						0.0496	0.0260	0.1244	0.0143	0.1122			7.000
T28	Tauranga	200kVA >299kVA	Medium	DIST	24.46						0.0472		0.1184	0.0136	0.1068			7.000
Large Commercial / Industrial																		
V40	Valley	Individual ICP prices	Large	DIST	124.15													7.000
V60	Valley	Individual ICP prices	Large	DIST	575.93													7.000
V71	Kinleith	Individual ICP prices	Large	DIST	11,738.61													7.000
T50	Tauranga	Individual ICP prices	Large	DIST	97.22													7.000
T601	Tauranga	Individual ICP prices	Large	DIST	468.85													7.000

Eastern Network –Transmission Prices

Eastern Network					Transmission Prices FY25 (Prices 1 April 2024 to 31 March 2025)													
					Fixed Charges						Variable Charges							
Tariff Group	Network Group	Tariff Description			ICP $/day	Installed Capacity $/kVA/Day	CT/VT Charge ($/day)	ABP ($/AMD)	ABP ($/CMD)	ABP ($/AMD)	Uncontrolled $/kWh	Controlled $/kWh	On Peak Uncontrolled $/kWh	Off Peak Uncontrolled $/kWh	On Peak - Summer $/kWh	Unmetered $/kWh	Distributed Generation	$/kVAr
					FDC	FDC*	CT/VT	*DIST*	CMD	*TRAN*	24UC	CTRL	PEAK	OFPK	PEAK	UNML	24DG	PFC
Residential+Small Commercial																		
V05S	Valley	Low User	Small	TRAN	0.1300						0.0138	0.0138	0.0138	0.0138	0.0138	0.0138		
V06S	Valley	Standard User	Small	TRAN	0.2800						0.0138	0.0138	0.0138	0.0138	0.0138	0.0138		
V08	Valley	Holiday Home	Small	TRAN	0.2800						0.0138	0.0138	0.0138	0.0138	0.0138	0.0138		
T05S	Tauranga	Low User	Small	TRAN	0.0700						0.0132	0.0132	0.0132	0.0132	0.0132	0.0132		
T06S	Tauranga	Standard User	Small	TRAN	0.1100						0.0132	0.0132	0.0132	0.0132	0.0132	0.0132		
Unmetered Supply																		
V01	Valley	Unmetered	Small	TRAN	0.1100											0.0138		
V02	Valley	Streetlighting	Small	TRAN		0.0279												
T01	Tauranga	Unmetered	Small	TRAN	0.0400											0.0132		
T02	Tauranga	Streetlighting	Small	TRAN		0.0274												
Medium Commercial																		
V22	Valley	3ph60A >199kVA	Medium	TRAN	2.8800						0.0145		0.0145	0.0145	0.0145			
V28	Valley	200kVA >299kVA	Medium	TRAN	5.2800						0.0145		0.0145	0.0145	0.0145			
T22	Tauranga	3ph60A >199kVA	Medium	TRAN	1.1800						0.0139	0.0131	0.0139	0.0139	0.0139			
T28	Tauranga	200kVA >299kVA	Medium	TRAN	2.9300						0.0139		0.0139	0.0139	0.0139			
Large Commercial / Industrial																		
V40	Valley	Individual ICP prices	Large	TRAN	43.03													
V60	Valley	Individual ICP prices	Large	TRAN	591.97													
V71	Kinleith	Individual ICP prices	Large	TRAN	17,859.27													
T50	Tauranga	Individual ICP prices	Large	TRAN	37.38													
T601	Tauranga	Individual ICP prices	Large	TRAN	285.13													

Eastern Network - Quantities

Eastern Network					Quantities FY25 (1 April 2024 to 31 March 2025)													
					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	kWh Off Peak	kWh All Inclusive On Peak	kWh Unmetered	Distributed Generation	kVAr Demand pa
					FDC	FDC	FDC*	CT/VT	*DIST*	CMD	*TRAN*	24UC	CTRL	PEAK	OFPK	PEAK	UNML	24DG	PFC
Residential+Small Commercial																			
V05S	Valley	Low User	Small	DIST	13,545,673	37,111	-	-	-	-	-	38,377,412	34,201,968	18,149,119	73,263,019	12,879,706	4,619	1,457,621	-
V06S	Valley	Standard User	Small	DIST	13,757,572	37,692	-	-	-	-	-	166,405,055	37,792,723	33,476,520	159,519,954	32,105,110	1,375	1,176,257	-
V08	Valley	Holiday Home	Small	DIST															
T05S	Tauranga	Low User	Small	DIST	12,996,237	35,606	-	-	-	-	-	40,000,902	36,694,482	19,304,731	75,091,620	13,389,029	575	2,379,060	-
T06S	Tauranga	Standard User	Small	DIST	20,332,318	55,705	-	-	-	-	-	180,831,517	75,754,969	42,586,855	177,555,062	33,638,453	72,950	2,872,402	-
Unmetered Supply				DIST															
V01	Valley	Unmetered	Small	DIST	72,104	198	-	-	-	-	-	-	-	-	-	-	673,872	-	-
V02	Valley	Streetlighting	Small	DIST	4,095,416	14	11,220	-	-	-	-	-	-	-	-	-	1,959,347	-	-
T01	Tauranga	Unmetered	Small	DIST	109,499	300	-	-	-	-	-	-	-	-	-	-	1,758,945	-	-
T02	Tauranga	Streetlighting	Small	DIST	5,239,842	15	14,356	-	-	-	-	-	-	-	-	-	3,234,186	-	-
Medium Commercial																			
V22	Valley	3ph60A >199kVA	Medium	DIST	206,677	566	-	-	-	-	-	64,840,249	-	609,060	3,151,611	594,307	-	128,944	-
V28	Valley	200kVA >299kVA	Medium	DIST	18,346	50	-	-	-	-	-	12,172,096	-	-	-	-	-	-	1,191
T22	Tauranga	3ph60A >199kVA	Medium	DIST	281,400	771	-	-	-	-	-	62,428,613	249,531	832,390	3,950,915	813,419	-	72,138	-
T28	Tauranga	200kVA >299kVA	Medium	DIST	56,968	156	-	-	-	-	-	37,811,952	-	-	-	-	-	1,139	9,557
Large Commercial / Industrial																			
V40	Valley	Individual ICP prices	Large	DIST	36,265	99	-	-	-	-	-	71,282,389	-	-	-	-	-	-	18,538
V60	Valley	Individual ICP prices	Large	DIST	10,731	29	-	-	-	-	-	318,183,312	-	-	-	-	-	-	45,093
V71	Kinleith	Individual ICP prices	Large	DIST	-	1	-	-	-	-	-	294,406,941	-	-	-	-	-	-	-
T50	Tauranga	Individual ICP prices	Large	DIST	88,974	244	-	-	-	-	-	190,147,600	-	-	-	-	-	-	41,010
T601	Tauranga	Individual ICP prices	Large	DIST	14,088	39	-	-	-	-	-	218,930,320	-	-	-	-	-	-	31,314
Eastern Region Total			**ALL**	**DIST**	**70,862,110**	**168,597**	**25,576**	-	-	-	-	**1,695,818,358**	**184,693,671**	**114,958,675**	**492,532,181**	**93,420,024**	**7,705,870**	**8,087,562**	**146,702**

Eastern network - Distribution & Transmission revenue

Eastern Network					Distribution Revenue (FY25 Prices, FY25 Quantities)				
Tariff Group	Network Group	Tariff Description			Fixed	Variable	Demand	Non-standard	Total
Residential+Small Commercial									
V05S	Valley	Low User	Small	DIST	6,366,467	14,803,087	-		**21,169,553**
V06S	Valley	Standard User	Small	DIST	14,032,723	24,298,931	-		**38,331,654**
V08	Valley	Holiday Home	Small	DIST	-	-	-		
T05S	Tauranga	Low User	Small	DIST	6,888,005	12,476,745	-		**19,364,751**
T06S	Tauranga	Standard User	Small	DIST	22,162,227	21,988,467	-		**44,150,693**
Unmetered Supply				DIST					
V01	Valley	Unmetered	Small	DIST	24,515	83,628	-		**108,143**
V02	Valley	Streetlighting	Small	DIST	670,420	-	-		**670,420**
T01	Tauranga	Unmetered	Small	DIST	44,895	186,096	-		**230,991**
T02	Tauranga	Streetlighting	Small	DIST	916,448	-	-		**916,448**
Medium Commercial									
V22	Valley	3ph60A >199kVA	Medium	DIST	2,048,169	4,140,717	-		**6,188,886**
V28	Valley	200kVA >299kVA	Medium	DIST	458,842	643,904	8,335		**1,111,080**
T22	Tauranga	3ph60A >199kVA	Medium	DIST	3,041,930	3,354,260	-		**6,396,190**
T28	Tauranga	200kVA >299kVA	Medium	DIST	1,393,440	1,784,724	66,899		**3,245,063**
Large Commercial / Industrial									
V40	Valley	Individual ICP prices	Large	DIST	4,502,212	-	129,769		**4,631,981**
V60	Valley	Individual ICP prices	Large	DIST	6,180,559	-	315,649		**6,496,208**
V71	Kinleith	Individual ICP prices	Large	DIST	4,284,593	-	-		**4,284,593**
T50	Tauranga	Individual ICP prices	Large	DIST	8,649,985	-	287,069		**8,937,054**
T601	Tauranga	Individual ICP prices	Large	DIST	6,604,949	-	219,197		**6,824,145**
Eastern Region Total			**ALL**	**DIST**	**88,270,377**	**83,760,559**	**1,026,917**	-	**173,057,853**

Eastern Network					Transmission Revenue (FY25 Prices, FY25 Quantities)				
Tariff Group	Network Group	Tariff Description			Fixed	Variable	Demand	Non-standard	Total
Residential+Small Commercial									
V05S	Valley	Low User	Small	TRAN	1,760,938	2,440,887	-		**4,201,824**
V06S	Valley	Standard User	Small	TRAN	3,852,120	5,924,350	-		**9,776,470**
V08	Valley	Holiday Home	Small	TRAN	-	-	-		-
T05S	Tauranga	Low User	Small	TRAN	909,737	2,435,154	-		**3,344,890**
T06S	Tauranga	Standard User	Small	TRAN	2,236,555	6,737,805	-		**8,974,360**
Unmetered Supply									
V01	Valley	Unmetered	Small	TRAN	7,931	9,299	-		**17,231**
V02	Valley	Streetlighting	Small	TRAN	114,262	-	-		**114,262**
T01	Tauranga	Unmetered	Small	TRAN	4,380	23,218	-		**27,598**
T02	Tauranga	Streetlighting	Small	TRAN	143,572	-	-		**143,572**
Medium Commercial									
V22	Valley	3ph60A >199kVA	Medium	TRAN	595,230	1,003,331	-		**1,598,560**
V28	Valley	200kVA >299kVA	Medium	TRAN	96,869	176,495	-		**273,364**
T22	Tauranga	3ph60A >199kVA	Medium	TRAN	332,052	948,821	-		**1,280,873**
T28	Tauranga	200kVA >299kVA	Medium	TRAN	166,917	525,586	-		**692,503**
Large Commercial / Industrial									
V40	Valley	Individual ICP prices	Large	TRAN	1,560,432	-	-		**1,560,432**
V60	Valley	Individual ICP prices	Large	TRAN	6,352,649	-	-		**6,352,649**
V71	Kinleith	Individual ICP prices	Large	TRAN	6,518,632	-	-		**6,518,632**
T50	Tauranga	Individual ICP prices	Large	TRAN	3,325,469	-	-		**3,325,469**
T601	Tauranga	Individual ICP prices	Large	TRAN	4,016,854	-	-		**4,016,854**
Eastern Region Total			**ALL**	**TRAN**	**31,994,597**	**20,224,947**	-	-	**52,219,543**

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 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 have transitioned from GXP to ICP billing for 'small' customers in our Western pricing region. This change requires the allocation of prices and the forecasting of volumes at an ICP level rather than a GXP level and means 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. For the Western region we have included two versions of the volume forecast, one at an ICP level (new 2025 approach) which includes restated historical volumes to account for distribution losses and at a GXP level that represents the historical approach taken.

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	Forecast		Comment
	FY20	FY21	FY22	FY23	FY24	FY25	Total ICPs	
Small	0.9%	1.0%	1.0%	0.9%	0.6%	0.8%	181,776	Forecast is consistent with historical growth
Medium	2.8%	6.3%	10.2%	7.3%	7.6%	6.9%	321	Forecast is consistent with recent historical growth
Large	-1.1%	0.4%	1.4%	1.0%	3.9%	3.5%	311	Based on specific ICPs and assumed growth
Total	**0.8%**	**1.1%**	**1.0%**	**0.9%**	**0.6%**	**0.8%**	**182,408**	

Table C.2: Connection growth – Eastern region

Customer group	Actual				Projected	Forecast		Comment
	FY20	FY21	FY22	FY23	FY24	FY25	Total ICPs	
Small	1.5%	1.4%	1.5%	1.3%	0.6%	0.8%	167,257	Forecast is consistent with historical growth
Medium	4.9%	3.3%	3.6%	4.2%	3.8%	3.8%	1,570	Forecast is consistent with historical growth
Large	0.0%	3.1%	2.4%	3.7%	4.1%	2.5%	419	Based on specific ICPs and assumed growth
Total	**1.5%**	**1.4%**	**1.5%**	**1.3%**	**0.6%**	**0.8%**	**169,247**	

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

Customer group	Actual				Projected	Forecast		Comment
	FY20	FY21	FY22	FY23	FY24	FY25	Growth	
Small (ICP)	8,233	8,272	8,420	8,336	8,437	8,397	-0.5%	Reflects a trend of declining average household usage
Medium (ICP)	411,791	373,079	352,789	333,443	348,880	347,860	-0.3%	No impact to revenue due to fixed charges
Large (ICP)	2,458,477	2,319,637	2,302,644	2,282,734	2,294,120	2,337,639	1.9%	No impact to revenue due to fixed charges

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

Customer group	Actual				Projected
	FY20	FY21	FY22	FY23	FY24
Small	9,123	9,110	9,181	9,025	9,117
Medium	411,791	373,079	352,789	333,443	343,202
Large	2,458,477	2,319,637	2,302,644	2,282,734	2,274,823

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

Customer group	Actual				Projected	Forecast		Comment
	FY20	FY21	FY22	FY23	FY24	FY25	Growth	
Small (ICP)	1,434	1,456	1,496	1,494	1,521	1,526	0.3%	Higher connection growth offsets declining average usage
Medium (ICP)	91	88	92	93	105	112	6.6%	Reflects growth in connection numbers
Large (ICP)	691	654	659	660	689	727	5.5%	No impact to revenue due to fixed charges
Total	**2,216**	**2,198**	**2,246**	**2,247**	**2,315**	**2,365**	**2.1%**	

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

Customer group	Actual				Projected
	FY20	FY21	FY22	FY23	FY24
Small	1,589	1,603	1,631	1,618	1,644
Medium	91	88	92	93	103
Large	691	654	659	660	683
Total	**2,371**	**2,345**	**2,382**	**2,371**	**2,430**

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

Customer group	Actual				Projected	Forecast		Comment
	FY20	FY21	FY22	FY23	FY24	FY25	Growth	
Small	7,741	7,788	7,948	7,811	7,897	7,872	-0.3%	Reflects historical trends
Medium	127,555	120,755	121,395	118,590	117,756	119,511	1.5%	Reflects historical trends
Large	2,845,535	2,736,096	2,746,820	2,677,646	2,598,219	2,606,455	0.3%	No impact to revenue due to fixed charges

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

Customer group	Actual				Projected	Forecast		Comment
	FY20	FY21	FY22	FY23	FY24	FY25	Growth	
Small	1,226	1,250	1,295	1,289	1,310	1,317	0.5%	Higher connection growth offsets declining average usage
Medium	167	163	170	173	178	188	5.4%	Reflects growth in connection numbers
Large	1,022	1,012	1,041	1,052	1,063	1,093	2.8%	No impact to revenue due to fixed charges
Total	**2,414**	**2,426**	**2,505**	**2,514**	**2,552**	**2,597**	**1.8%**	

Table C.7: Forecast exceptions

Region	Customer Group	Price Category	Charge Type	Forecast methodology / comment
Western	Small	W05 / W06	Variable Charge	Three years of historical data used, due to data limitations from GXP-ICP change
Western	Medium	W29	Variable Charge	Two years of historical data used, to reduce COVID impact
Western	Large	W50	Variable Charge	Two years of most recent data used, to reduce COVID impact
Western	Large	W60	Variable Charge	Prior year data used due to volatility of data
Eastern	Small	T01 / T02	Variable Charge	Prior year data used to estimate quantities due to trend of declining averages
Eastern	Small	T05S / T06S	Variable Charge	Three years of most recent data used, due to shifting patterns in these groups – TOU starting FY20
Eastern	Medium	T22	Variable Charge	Three years of most recent data used due to step change in averages since FY20
Eastern	Large	T50	Variable Charge	Two years of most recent data used, to recognise COVID impact
Eastern	Large	T60	Variable Charge	Two 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	V05S / V06S	Variable Charge	Three years of most recent data used, limited by TOU transition starting FY20
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	Two years of most recent data used, to recognise COVID impact
Eastern	Large	V60	Variable Charge	Two years of most recent data used, to recognise COVID impact
Eastern	Large	V71	Variable Charge	Two 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	We have observed peak volumes of 28%-32%, compared to off-peak volumes of 68%-72%. Our forecasts assume no material changes to usage patterns in response to the peak/off-peak rates, which is consistent with observations.

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.

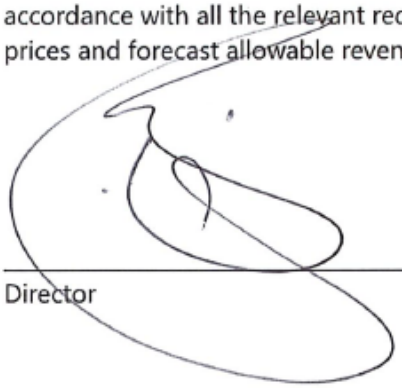
Approach to forecasting revenues for large commercial/industrial customers

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 2024 – 31 March 2025

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 (Powerco transition) Amendments Determination 2022* 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

21 March 2024

Date


POWERCO