



**Default Price-Quality Path
Annual Price Setting
Compliance Statement**

1 April 2025 – 31 March 2026 Assessment Period

31 JANUARY 2025

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1. Introduction

Firstlight Network is subject to price-quality regulation under Part 4 of the Commerce Act 1986. The Commerce Commission has set a Default Price-Quality Path (DPP) which applies to Firstlight Network from 1 April 2025.

This price-setting compliance statement is published in accordance with clause 11.1 of the 2025 DPP Determination, and applies to the first assessment period, commencing 1 April 2025 and ending 31 March 2026.

2. Date prepared

This statement was prepared on 31 January 2025.

3. Statement of compliance

As demonstrated in Table 1 below, and consistent with clause 8.3 of the 2025 DPP Determination Firstlight Network has complied with the price path for the first assessment period.

Table 1

Compliance with price path RY26		
Forecast revenue from prices \leq Forecast allowable revenue		
Forecast revenue from prices (\$000)	Forecast allowable revenue (\$000)	Compliance result
39,840	39,851	Compliant

Further information supporting forecast allowable revenue is included in Section 5, Section 7 and Appendix A.

Further information supporting forecast revenue from prices is included in Section 6 and Appendix B.

Further information supporting maximum allowable forecast revenue is included in Section 7.

4. Director's certification

A Director's certificate in the form set out in Schedule 6 of the 2025 DPP Determination is included as Appendix C.

5. Forecast allowable revenue

Table 2 shows the derivation of forecast allowable revenue, consistent with the requirements of Schedule 1.4 of the 2025 DPP Determination.

Table 2

Forecast allowable revenue RY26		
Term	Description	Value (\$000)
Forecast net allowable revenue	<i>Forecast net allowable revenue as set out in Table 1.1.1 in Schedule 1.1 for the period ending 31 March 2026</i>	34,275
Forecast revenue to be received under all large connection contracts	<i>Forecast revenue to be received under all large connection contracts</i>	-
Forecast pass through costs	<i>Forecast pass-through costs and forecast recoverable costs</i>	5,843
Forecast recoverable costs	<i>Forecast recoverable costs, excluding any recoverable cost that is a revenue wash-up drawn down amount</i>	(267)
Total		39,851

Appendix A shows the components of the forecast pass-through and recoverable costs, and the pass-through balance allowance.

The methodology to derive the forecasts of the pass-through and recoverable costs is documented in Appendix A.

6. Forecast revenue from prices

Table 3 shows forecast revenue from prices.

Table 3

Forecast revenue from prices RY26		
Term	Description	Value (\$000)
$\Sigma P_{2025/26} * Q_{2025/26}$	Forecast prices between 1 April 2025 and 31 March 2026 multiplied by forecast quantities for the period ending 31 March 2026	39,840

Appendix B shows the components of forecast revenue from prices.

The methodology to forecast the quantities associated with each price is documented in Appendix B.

7. Appendix

7.1. Appendix A – Pass-through and recoverable costs

FORECAST PASS-THROUGH COSTS

Table 4

Forecast Pass-through Costs RY26		
Forecast pass-through costs	\$000	Forecasting methodology
Rates on system fixed assets	282	Doubled the sum of invoices received over the first 6 months of RY25
Commerce Act levies	124	Doubled the sum of invoices received over the first 6 months of RY25
Electricity Authority levies	78	Doubled the sum of invoices received over the first 6 months of RY25
Utilities Disputes levies	18	RY25 Actuals
Transpower transmission charges	5,255	Transpower Final Prices Dec 24
New investment contract charges	85	Transpower Final Prices Dec 24
Total forecast pass-through costs	5,843	

Forecast is based on straight line extrapolation of actual invoices up for the first 6 months of RY25.

Transpower charges are reflective of officially communicated charges in December 2024.

FORECAST RECOVERABLE COSTS

Table 5

Forecast Recoverable Costs RY26		
Forecast recoverable costs	\$000	Forecasting methodology
IRIS incentive adjustment	(3,445)	Final determination IRIS model
Avoided transmission charges - purchased assets	-	
Claw-back allowance		
CPP proposal fee	-	
CPP assessment proposal fee	-	
Distributed generation allowance	-	
Auditor's cost (meeting clauses 5.1.4 or 5.5.3)	-	
Fee payable to engineer (meeting clause 5.4.12)	-	
Reopener event allowance	-	
Extended reserves allowance	-	
Quality incentive adjustment	(153)	RY24 Quality Incentive Adjustment
Fee payable to engineer (meeting clause 4.5)	-	
Urgent project allowance	-	
Wash-up drawdown amount	3,257	See table 6
Fire and emergency NZ levies	74	RY25 Actuals
Innovation and non-traditional solutions allowance	-	
Total forecast recoverable costs	(267)	

IRIS incentive was calculated by a financial model provided by the Commerce Commission for DPP4 period. Incentive is based on Opex and Capex actuals from DPP3 period.

Quality incentive adjustment has been calculated using the Commerce Commission calculation and RY24 SAIDI and SAIFI actual values.

Fire and emergency NZ levies forecast is based on latest full year actuals (RY25).

Table 6 shows the calculation behind the wash-up drawdown amount calculation

Table 6

Wash-up account balance RY24		
Term	Description	Value (\$000)
Wash-up amount from previous assessment period	<i>The closing wash-up account balance for the third 'assessment period'</i>	2,099
Cost of capital adjustment	<i>The cost of capital estimate specified in subclause 3.1.4 (12)</i>	4.23%
Wash-up amount from previous assessment period	<i>The closing wash-up account balance for the third 'assessment period' x (1 + 67th percentile post-tax WACC) - calculated in accordance with paragraph (2) of Schedule 1.7 of the DPP3 determination</i>	2,188
Wash-up amount for the fourth assessment period	<i>Calculated in accordance with paragraph (1) of Schedule 1.6 of the DPP3 determination</i>	2,968
Wash-up account balance RY24	<i>Wash-up amount for previous assessment period x (1 + 67th percentile post-tax WACC) + wash-up amount for the fourth assessment period - Specified in subclause 3.1.4 (2)A (i) & (ii)</i>	5,156

Wash-up draw down amount		
Term	Description	Value (\$000)
Wash-up account balance RY24	<i>Wash-up amount for previous assessment period x (1 + 67th percentile post-tax WACC) + wash-up amount for the fourth assessment period</i>	5,156
Cost of capital estimate for disclosure years prior to 2026	<i>As per Commerce Commission DPP4 IM 3.1.4(12)(a)</i>	4.23%
Cost of capital estimate for the first disclosure year	<i>As per Commerce Commission IM calculation 3.1.4(12)(b)</i>	5.29%
Wash-up draw-down amount from RY23	<i>As per RY23 Price Setting Compliance Statement (1 + 67th percentile post-tax WACC)²</i>	2,280
Cost of capital adjustment	<i>The cost of capital estimate specified in subclause (12)</i>	5.29%
Wash-up draw-down amount	<i>Wash-up amount x (1 + 67th percentile post-tax WACC) x (cost of capital for the first disclosure year) - Wash-up draw-down amount x (1 + weighted average cost of capital estimate)</i>	3,257

7.2. Appendix B – Forecast prices and quantities

Table 7 shows the forecast prices and quantities for the forecast revenue from prices for the first assessment period.

Table 7

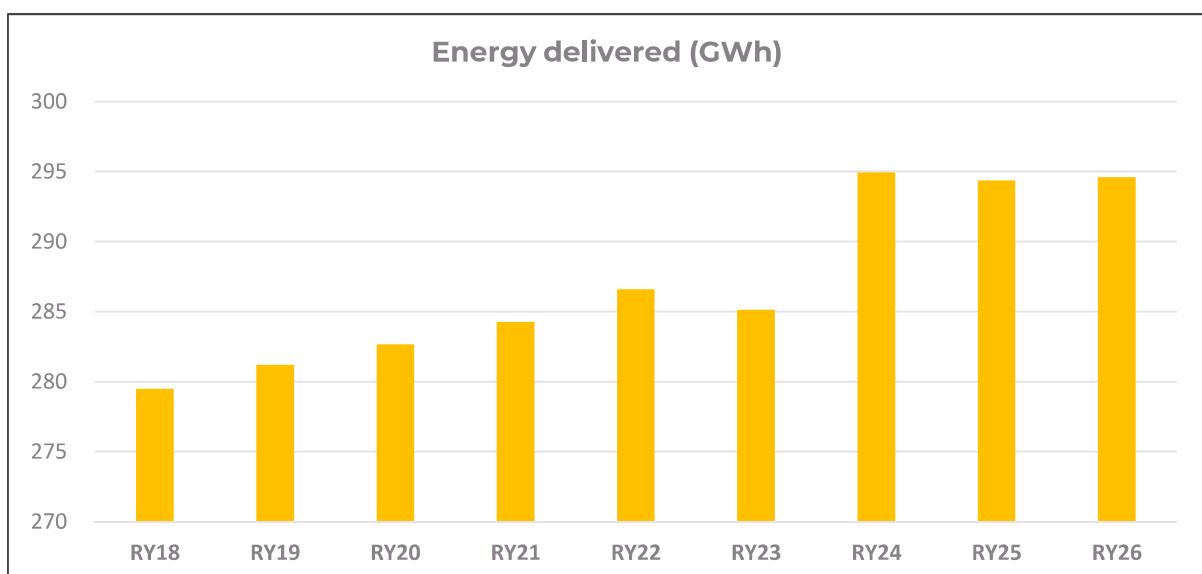
Forecast revenue from prices RY26				
Price Category	Unit	Unit price	Forecast quantity (kWh)	Forecast revenue (\$000)
DOMLFCF	\$/day	0.7500	11,985	3,281
DOMLFCU	\$/kWh	0.1405	23,842,061	3,350
DOMLFCC	\$/kWh	0.1130	13,047,941	1,474
DOMLFCP	\$/kWh	0.2237	8,457,208	1,892
DOMLFCO	\$/kWh	0.0993	17,354,337	1,723
DOMSTDF	\$/day	2.6807	8,482	8,299
DOMSTDU	\$/kWh	0.0536	27,837,262	1,492
DOMSTDC	\$/kWh	0.0256	14,408,066	369
DOMSTDP	\$/kWh	0.1053	9,609,121	1,012
DOMSTDO	\$/kWh	0.0300	21,110,943	633
COM0050F	\$/day	2.9964	4,601	5,032
COM0050U	\$/kWh	0.0458	27,344,604	1,252
COM0050C	\$/kWh	0.0248	2,304,285	57
COM0050P	\$/kWh	0.0935	3,317,761	310
COM0050O	\$/kWh	0.0256	7,813,331	200
COM0100F	\$/day	12.4280	434	1,969
COM0100U	\$/kWh	0.0579	16,291,160	943
COM0100C	\$/kWh	0.0349	317,346	11
COM0100P	\$/kWh	0.1176	1,882,760	221
COM0100O	\$/kWh	0.0356	4,836,775	172
COM0300F	\$/day	26.9923	123	1,212
COM0300U	\$/kWh	0.0584	9,435,495	551
COM0300EP	\$/kWh	0.0534	1,685,275	90
COM0300MP	\$/kWh	0.0498	2,854,709	142
COM0300OP	\$/kWh	0.0298	3,515,577	105
COM0300N	\$/kWh	0.0166	2,571,518	43
COM0500F	\$/day	65.0335	24	570
COM0500EP	\$/kWh	0.0310	1,539,752	48
COM0500MP	\$/kWh	0.0289	2,504,308	72
COM0500OP	\$/kWh	0.0172	3,109,779	53
COM0500N	\$/kWh	0.0096	2,797,375	27
COM1000F	\$/day	125.4011	25	1,144
COM1000EP	\$/kWh	0.0288	5,939,493	171
COM1000MP	\$/kWh	0.0269	8,746,536	235
COM1000OP	\$/kWh	0.0165	11,386,154	188
COM1000N	\$/kWh	0.0092	10,356,245	95

Forecast revenue from prices RY26

Price Category	Unit	Unit price	Forecast quantity (kWh)	Forecast revenue (\$000)
COM4500F	\$/day	264.3732	3	289
COM4500EP	\$/kWh	0.0372	4,419,499	164
COM4500MP	\$/kWh	0.0348	6,057,366	211
COM4500OP	\$/kWh	0.0210	8,150,339	171
COM4500N	\$/kWh	0.0116	7,960,341	92
COM6500F	\$/day	0.0000	-	-
COM6500EP	\$/day	0.0000	-	-
COM6500MP	\$/day	0.0000	-	-
COM6500OP	\$/day	0.0000	-	-
COM6500N	\$/day	0.0000	-	-
GEN4500F	\$/day	82.9979	1	30
GEN6500F	\$/day	171.0603	1	62
GEN6500U	\$/kWh	0.0401	124,799	5
OTH0003F	\$/day	0.6226	79	18
OTH0003U	\$/kWh	0.1286	220,855	28
DUMLF	\$/day	0.0885	5,072	164
DUMLU	\$/kWh	0.1007	1,398,798	141
STLGMF	\$/day	0.0878	243	8
STLGMU	\$/kWh	0.1185	32,374	4
GENCN01F	\$/day	27.4893	1	10
GENCN01U	\$/kWh	0.0417	23,338	1
ΣP_{2025/26}*Q_{2025/26}				39,840

Current pricing year (Apr-24 to Mar-25) is tracking towards 294 GWh consumption.

For RY26 we are currently forecasting 294.6 GWh, which means a -0.1% YoY increase in consumption.



ICP count forecast considered latest trends (April – November 2024). These trends suggests a minimal increase in connections across all segments, which means connections remain at a stable level. For RY26 we are currently forecasting 26,000 ICPs.

7.3. Appendix C – Director’s certificate



Director’s Certificate on Annual Price Setting Compliance Statement

I, Fiona Ann Oliver, being a director of Firstlight Network Limited certify that, having made all reasonable enquiry, to that best of my knowledge and belief, the attached annual price-setting compliance statement of Firstlight Network Limited, 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.

A handwritten signature in black ink that reads "Fiona Oliver".

Director: Fiona Ann Oliver

Date 18 February 2025

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.