



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

1 April 2026 – 31 March 2027 Assessment Period

31 JANUARY 2026

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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 second assessment period, commencing 1 April 2026 and ending 31 March 2027.

2. Date prepared

This statement was prepared on 1 March 2026.

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 second assessment period.

Table 1

Compliance with price path RY27		
Forecast revenue from prices \leq Forecast allowable revenue		
Forecast revenue from prices (\$000)	Forecast allowable revenue (\$000)	Compliance result
44,235	44,284	Compliant

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

In addition, in Table 2 below, and consistent with clause 8.4 of the 2025 DPP Determination Firstlight Network has complied with the revenue smoothing limit for the second assessment period

Table 2

Compliance with revenue smoothing limit RY27		
Forecast revenue from prices less forecast through costs less revenue forecast to be received under any large connection contract ≤ Revenue Smoothing limit		
Forecast revenue from prices less forecast pass-through costs less revenue forecast to be received under any large connection contract (\$000)	Revenue smoothing limit (\$000)	Compliance result
37,294	42,364	Compliant

Further information supporting the revenue smoothing limit is included in Appendix A.

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 E.

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 3

Forecast allowable revenue RY27		
Term	Description	Value (\$000)
Forecast net allowable revenue	<i>Forecast net allowable revenue as set out for the period ending 31 March 2027</i>	38,787
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</i>	6,941
Forecast recoverable costs	<i>Forecast recoverable costs</i>	(1,444)
Total		44,284

Appendix C shows the components of the forecast pass-through and recoverable costs

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

6. Forecast revenue from prices

Table 3 shows forecast revenue from prices.

Table 4

Forecast revenue from prices RY27		
Term	Description	Value (\$000)
Forecast revenue	$\sum P_{2026/27} * Q_{2026/27}$	43,932
Forecast other regulated income	<i>Forecast other regulated income for the assessment period ending 31 March 2027</i>	303
Total		44,235

Appendix D shows the components of forecast revenue from prices.

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

7. Appendix

7.1. Appendix A – Revenue smoothing limit

Table 5

Revenue Smoothing Limit RY27		
Term	Description	Value (\$000)
Forecast Revenue from Prices	<i>Forecast revenue from prices for the period ending 31 March 2027</i>	44,235
Forecast pass through costs	<i>Forecast pass-through costs</i>	6,941
Revenue forecast to be received under any large connection contract		-
Total		37,294
FNAR _t	<i>Forecast net allowable revenue for the period ending 31 March 2027</i>	38,787
FRC _{t-1}	<i>Forecast recoverable costs as stated in the Price Setting Compliance Statement for period ending 31 March 2026</i>	(267)
ΔSFCPI	<i>Forecast CPI for revenue smoothing, calculated in accordance with Schedule 1.3 (2) of the determination</i>	2.69%
Revenue Smoothing Limit (\$000)	(FNAR_t + FRC_{t-1} × (1+ΔSFCPI)) × 1.1	42,364

7.2. Appendix B – Forecast Net Allowable Revenue

FORECAST NET ALLOWABLE REVENUE

Table 6

Forecast net allowable revenue RY27		
Term	Description	Value (\$000)
Starting prices for DPP4	<i>Starting value from Schedule 1.1 of the determination</i>	34,275
Forecast CPI	<i>From Schedule 2 Table 2.2.3 of the determination</i>	1.0269
X Factor	<i>From schedule 1.2 of the determination</i>	(0.1020)
Forecast net allowable revenue	<i>Forecast net allowable revenue for the period ending 31 March 2027</i>	38,787

7.3. Appendix C – Forecast Pass-through and Recoverable Costs

FORECAST PASS-THROUGH COSTS

Table 7

Forecast Pass-through Costs RY27		
Forecast pass-through costs	\$000	Forecasting methodology
Rates on system fixed assets	341	Doubled the sum of invoices received over the initial 6 months in RY26
Commerce Act levies	95	Doubled the sum of invoices received over the initial 6 months in RY26
Electricity Authority levies	92	The average of 6-month invoices received is used for forecasting the next 6 months
Utilities Disputes levies	19	RY26 Actuals
Transpower transmission charges	6,310	Transpower's TPM pricing Dec-25
New investment contract charges	85	Transpower Investment Agreement 2005-2035
Total forecast pass-through costs	6,941	

Forecast is based on straight line extrapolation of actual invoices up for the first 6 months of RY26.

Transpower charges are reflective of officially communicated charges in December 2025.

FORECAST RECOVERABLE COSTS

Table 8

Forecast Recoverable Costs RY27		
Forecast recoverable costs	-\$000	Forecasting methodology
IRIS incentive adjustment	(6,206)	Based on corrected ComCom 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	(192)	Quality Incentive Adjustment RY25
Fee payable to engineer (meeting clause 4.5)		
Urgent project allowance		
Wash-up drawdown amount	4,850	Calculated as per clause 3.1.4 (5) of the Input Methodologies
Fire and emergency NZ levies	105	RY26 Actuals
Innovation and non-traditional solutions allowance		
Total forecast recoverable costs	(1,949)	

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 RY25 SAIDI and SAIFI actual values.

Fire and emergency NZ levies forecast is based on latest full year actuals (RY26).

The Wash-up drawdown amount is calculated as per table 9

Table 9

Wash up account balance RY27		
Term	Description	Value (\$000)
Wash-up amount from previous assessment period	<i>The closing wash-up account balance for the fifth assessment period</i>	2,968
Cost of capital adjustment	<i>The cost of capital estimate specified in subclause 3.1.4 (12)</i>	5.29%
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>	3,094
Wash-up amount for the fourth assessment period	<i>Calculated in accordance with paragraph (1) of Schedule 1.6 of the DPP3 determination</i>	4,345
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 subclauae 3.1.4 (2)A (i) & (ii)</i>	7,439
Wash up account balance RY27		
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>	2,280
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>	6.02%
Wash-up draw-down amount from RY24	<i>As per RY24 Price Setting Compliance Statement (1 + 67th percentile post-tax WACC)²</i>	3,257
Cost of capital adjustment	<i>The cost of capital estimate specified in subclause 3.1.4 (12)</i>	5.29%
Wash-up draw-down amount	<i>Wash-up amount x (1 + 67th percentile post-tax WACC) x (cost of cpital for the first disclosure year) - Wash-up draw-down amount x (1 + weighted average cost of capial estimate)</i>	4,850

7.4. Appendix D – Forecast prices and quantities

Table 9 shows the forecast prices and quantities for the forecast revenue from prices for the second assessment period.

Table 10

Forecast revenue from prices RY27				
Price Category	Unit	Unit price	Forecast quantity	Forecast revenue (\$000)
DOMLFCF	\$/day	0.9000	11,823	3,884
DOMLFCU	\$/kWh	0.1560	17,707,283	2,762
DOMLFCC	\$/kWh	0.1175	11,554,180	1,358
DOMLFCP	\$/kWh	0.2650	8,496,338	2,212
DOMLFCO	\$/kWh	0.1064	21,317,644	2,268
DOMSTDF	\$/day	3.0166	9,123	10,031
DOMSTDU	\$/kWh	0.0602	22,489,287	1,343
DOMSTDC	\$/kWh	0.0266	13,917,928	367
DOMSTDP	\$/kWh	0.1149	10,001,401	1,117
DOMSTDO	\$/kWh	0.0312	26,413,639	824
COM0050F	\$/day	3.3071	4,368	5,273
COM0050U	\$/kWh	0.0501	18,503,981	910
COM0050C	\$/kWh	0.0265	1,962,311	51
COM0050P	\$/kWh	0.1034	4,566,088	472
COM0050O	\$/kWh	0.0277	12,989,077	353
COM0100F	\$/day	13.8778	447	2,265
COM0100U	\$/kWh	0.0640	11,724,556	736
COM0100C	\$/kWh	0.0373	264,124	10
COM0100P	\$/kWh	0.1288	2,757,764	352
COM0100O	\$/kWh	0.0377	8,265,795	309
COM0300F	\$/day	30.5761	122	1,362
COM0300U	\$/kWh	0.0639	5,471,564	347
COM0300EP	\$/kWh	0.0585	2,139,180	124
COM0300MP	\$/kWh	0.0545	3,450,588	186
COM0300OP	\$/kWh	0.0319	5,266,801	165
COM0300N	\$/kWh	0.0178	3,112,215	54
COM0500F	\$/day	72.8450	25	667
COM0500EP	\$/kWh	0.0339	1,538,075	52
COM0500MP	\$/kWh	0.0316	2,499,481	78
COM0500OP	\$/kWh	0.0182	3,573,052	65
COM0500N	\$/kWh	0.0102	2,696,983	27
COM1000F	\$/day	141.7208	25	1,302
COM1000EP	\$/kWh	0.0315	5,210,004	163
COM1000MP	\$/kWh	0.0295	7,911,943	231
COM1000OP	\$/kWh	0.0175	11,965,461	207
COM1000N	\$/kWh	0.0098	9,199,587	89

COM4500F	\$/day	288.4672	3	316
COM4500EP	\$/kWh	0.0407	4,166,555	168
COM4500MP	\$/kWh	0.0381	6,192,698	234
COM4500OP	\$/kWh	0.0223	9,444,587	209
COM4500N	\$/kWh	0.0123	8,209,791	100
COM6500F	\$/day	291.7370	1	109
COM6500EP	\$/kWh	0.0428	792,849	34
COM6500MP	\$/kWh	0.0401	2,011,120	80
COM6500OP	\$/kWh	0.0257	2,202,439	56
COM6500N	\$/kWh	0.0141	1,632,113	23
GEN0500F	\$/kWh	28.6190	1	0
GEN0500U	\$/kWh	0.0458	5,000	0
GEN4500F	\$/day	88.8929	1	32
GEN6500F	\$/day	188.5039	1	69
GEN6500U	\$/kWh	0.0433	121,357	5
OTH0003F	\$/day	0.6849	60	15
OTH0003U	\$/kWh	0.1376	158,250	22
DUMLF	\$/day	0.0971	5,072	180
DUMLU	\$/kWh	0.1077	799,009	86
STLGMF	\$/day	0.0957	225	8
STLGMU	\$/kWh	0.1268	27,493	3
DCG0050R	\$/kWh	-0.0359	-	-
GENCN01F	\$/day	26.4425	1	10
GENCN01U	\$/kWh	0.0388	19,976	1
ΣP_{2026/27}*Q_{2026/27}				43,932

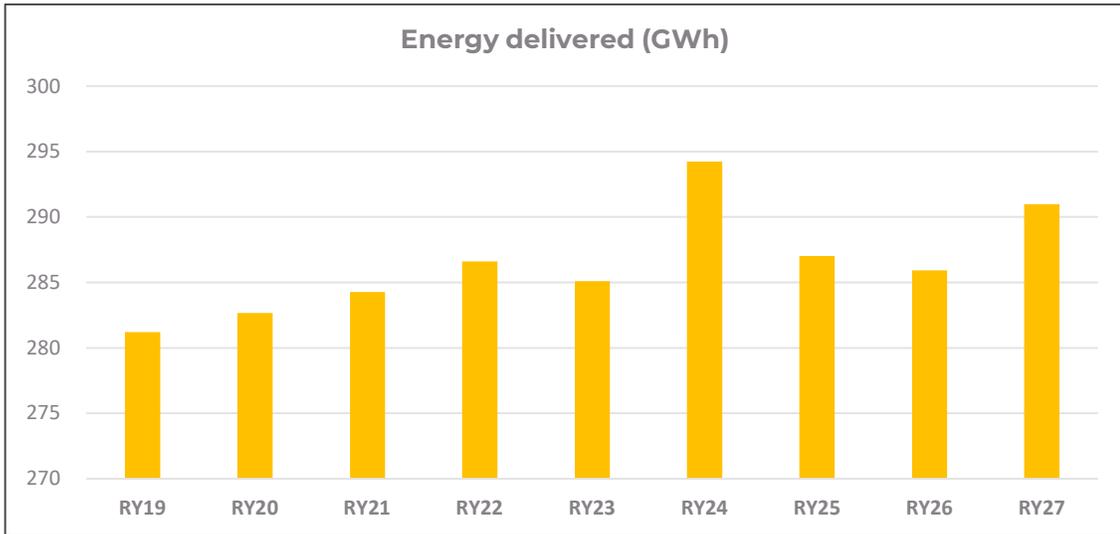
Table 10 shows the forecast other regulated income for the second assessment period.

Table 10

Forecast other regulated income FY27	
Description	Value (\$000)
<i>Ripple Relays Revenue</i>	24
<i>New connection fees</i>	50
<i>Compensation Receipts</i>	150
<i>Genset electricity sales revenue</i>	58
<i>Other income</i>	21
Forecast other regulated income	303

Current pricing year (Apr-25 to Mar-26) is tracking towards 285.9GWh consumption.

Volumes fell by -2.5% in RY25, attributable to the loss of a large customer, a new customer on the same site has subsequently connected in RY26. Despite the new connection, the forecast for the current year (RY26) shows a slight decrease of -0.4% again. However with the new connection on line for a full year in conjunction with slight growth in usage across the network, we foresee a 1.8% in consumption.

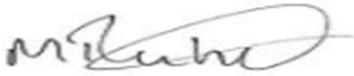


The ICP count forecast considered latest trends (April – November 2025). These trends suggest 0.1% increase in connections across all segments, which means connections remain at a stable level. For RY27 we are currently forecasting 26,059 ICPs.

7.5. Appendix E – Director’s certificate

I, Mark Adrian Ratcliffe, 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.

Director: Mark Adrian Ratcliffe



1 Mar. 2026 8:14:43 PM GMT+13

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.